

*Entered January 15, 1974*  
*A.P.*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5137  
Order No. R-4700

APPLICATION OF SKELLY OIL COMPANY  
FOR TWO UNORTHODOX LOCATIONS,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of January, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Skelly Oil Company, seeks authority to drill two producing wells at unorthodox locations, being the proposed Skelly Unit Well No. 115, 2630 feet from the North line and 1330 feet from the West line, and the proposed Skelly Unit Well No. 116, 1330 feet from the South line and 130 feet from the West line, both in Section 22, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

(3) That the applicant seeks to amend its application as to its Well No. 116 to reflect a proposed location as set out in Finding (1) of this order rather than 1330 feet from the South line and 10 feet from the West line of said Section 22 as originally requested.

(4) That such proposed amended application is for a well location further from the proration unit boundary than that location originally requested and that the request for said amendment to the application should be approved.



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(5) That the SE/4 NW/4 of said Section 22 is to be dedicated to said Skelly Unit Well No. 115 and the NW/4 SW/4 of said Section 22 is to be dedicated to the said Skelly Unit Well No. 116.

(6) That the proposed unorthodox locations are sought in order to evaluate the effect of the applicant's Grayburg-Jackson Waterflood Project in various producing zones, to determine if flood water is entering non-productive zones, to determine if closer producing well spacing would contribute to a more profitable waterflood operation and recover additional oil reserves, and to recover additional secondary reserves that might not otherwise be recovered.

(7) That the applicant is the owner of all mineral interests directly offsetting the proposed unorthodox locations.

(8) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Grayburg-Jackson Pool, thereby preventing waste and protecting correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Skelly Oil Company to drill two producing wells at unorthodox locations in Section 22, Township 17 South, Range 31 East, NMPM, Grayburg Jackson Pool, Eddy County, New Mexico, is hereby amended as to the Skelly Unit Well No. 116 to reflect a proposed location 1330 feet from the South line and 130 feet from the West line of said Section 22.

(2) That the applicant, Skelly Oil Company, is hereby authorized to drill two wells at unorthodox locations, being its Skelly Unit Well No. 115, 2630 feet from the North line and 1330 feet from the West line, and its Skelly Unit Well No. 116, 1330 feet from the South line and 130 feet from the West line, both in said Section 22, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

(3) That the SE/4 NW/4 of said Section 22 shall be dedicated to said Skelly Unit Well No. 115 and the NW/4 SW/4 of said Section 22 shall be dedicated to said Skelly Unit Well No. 116.

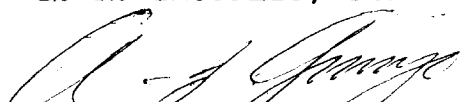
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
I. R. TRUJILLO, Chairman

  
ALEX J. ARMIJO, Member

  
A. L. PORTER, Jr., Member & Secretary

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