

Subd May 24, 1956
L.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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1051
Order No. R-804

THE APPLICATION OF SKELLY OIL
COMPANY FOR AN ORDER GRANTING
AN EXCEPTION TO RULES 2 AND 3
OF THE SPECIAL RULES AND REGULATIONS
FOR THE FULCHER KUTZ-PICTURED CLIFFS
GAS POOL AND RULES 2 AND 3 OF THE
SPECIAL RULES AND REGULATIONS FOR
THE SOUTH BLANCO-PICTURED CLIFFS
GAS POOL AS SET FORTH IN ORDER
R-565-C IN THE ESTABLISHMENT OF
TWO 160-ACRE NON-STANDARD GAS
PRORATION UNITS AND THE APPROVAL
OF TWO UNORTHODOX WELL LOCATIONS
THEREIN IN N/2 S/2 SECTION 15 AND
S/2 S/2 SECTION 15, TOWNSHIP 27
NORTH, RANGE 9 WEST, NMPM, SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 18, 1956, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 16th day of May, 1956, the Commission, a quorum being present, having considered the evidence adduced at said hearing and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That applicant, Skelly Oil Company, is the owner of federal oil and gas leases consisting of other than legal quarter sections in San Juan County, New Mexico, and described as follows:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
N/2 S/2 Section 15
S/2 S/2 Section 15

consisting of a total of 320 acres, more or less.

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Order No. R-804

(3) Applicant proposes to form two non-standard gas proration units each consisting of 160 acres, one consisting of N/2 S/2 of said Section 15, the other consisting of the S/2 S/2 of said Section 15.

(4) That there was no objection entered at the hearing to the establishment of aforesaid gas proration units.

(5) That applicant proposes to locate the well for the N/2 of S/2 of said Section 15 1320 feet West of the East line and 1650 feet North of the South line of said Section 15 and proposes to locate the well for the S/2 of the S/2 of Section 15 1320 feet East of the West line and 990 feet North of the South line of said Section 15.

(6) That insufficient evidence was introduced to justify locating the aforesaid wells on unorthodox locations on quarter quarter section lines.

IT IS THEREFORE ORDERED:

That the application of Skelly Oil Company for an order granting the establishment of two 160-acre non-standard gas proration units in the South Blanco-Pictured Cliffs Gas Pool to consist of the following described acreage in San Juan County, New Mexico:

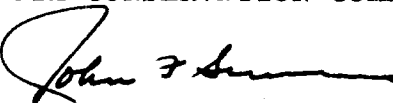
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|------------|--|
| | <u>TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM</u> |
| Unit No. 1 | N/2 S/2 Section 15 |
| Unit No. 2 | S/2 S/2 Section 15 |

be and the same is hereby approved.

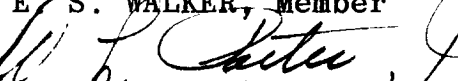
IT IS FURTHER ORDERED: That application of Skelly Oil Company for an order granting approval of two unorthodox locations on aforesaid gas units, the well location for the unit described as N/2 S/2 of said Section 15 to be 1320 feet from the East line and 1650 feet from the South line of Section 15 and the well location for the unit described as the S/2 S/2 of Section 15, to be 1320 feet from the West line and 990 feet from the South line of said Section 15 be and the same is hereby approved with the exception that said locations shall be altered so that neither location will be nearer than 130 feet to any quarter-quarter section line.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


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

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