

June 9, 1955

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O  
Skelly Oil Company  
P. O. Box 38  
Hobbs, New Mexico

Attention: Mr. J. N. Dunlavey

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Gentlemen:

Reference is made to enclosed Administrative Order NSP-144, which grants a 330-acre non-standard gas proration unit in the Jalmat Gas Pool, to your E. Coates Well No. 2.

Y  
It is called to your attention that the allowable granted to this unit will be assigned to your Coates Well No. 2. The Coates Well No. 3, located in the SW/4 SW/4 of Section 3, Township 24 South, Range 36 East, Lea County, will receive no further allowable and must remain shut-in effective July 1, 1955, until such time as said well is recompleted.

Very truly yours,

W. B. Macey  
Secretary-Director

WBM:jh

cc: Oil Conservation Commission, Hobbs  
N. M. Oil and Gas Engineering Comm., Hobbs

OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

DATE 5/11/55

MR. W. P. MACEY  
OIL CONSERVATION COMMISSION  
BOX 871  
SANTA FE, NEW MEXICO

RE:  
PROPOSED NSP 144  
PROPOSED NSL \_\_\_\_\_

Dear Mr. Macey:

I have examined the application dated 5/5/55

for the Skelly Oil Co. Coats #2-N 3-24-36  
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

Remove #3 from schedule and approve #2 although #7, #6, and #1 are J,almat  
oil wells they are in a lower horizon than the dry gas from #2- R F M

Well #3 will have to be shut in since it has an acreage factor of 160 acres.

The oil wells are producing from the J,almat <sup>oil</sup> pool. SJS

Yours very truly,

OIL CONSERVATION COMMISSION

S. J. STANLEY

Stanley J. Stanley  
Engineer

hs  
320 acres S/2 Sec. 3



NSP 144  
Due June 8

MAIN OFFICE OCC

# SKELLY OIL COMPANY

1955 MAY 9 AM 8:42

Box 38, Hobbs, New Mexico  
May 5, 1955

Re: IN THE MATTER OF APPLICATION OF  
SKELLY OIL COMPANY SEEKING ADMINISTRATIVE  
APPROVAL FOR AN EXCEPTION TO RULE  
5 (a) ORDER R-520 FOR A NON-STANDARD  
320 ACRE GAS UNIT COMPRISING THE S/2  
SECTION 3, TOWNSHIP 24 SOUTH, RANGE  
36 EAST, N.M.P.M, IN THE JALMAT GAS  
POOL, LEA COUNTY, NEW MEXICO.

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Dear Sir:

Comes now SKELLY OIL COMPANY, a Delaware corporation with offices in Tulsa, Oklahoma and Hobbs, New Mexico, hereby petitioning the Secretary of the New Mexico Oil Conservation Commission for administrative approval of a non-standard 320-acre unit lying wholly within the horizontal limits of the Jalmat Gas Pool, Lea County, New Mexico, and in support thereof does state:

1. That the petitioner is the sole owner of all oil and gas leases held on the 320 acres confined by the boundaries of S/2 Section 3, Township 24 South, Range 36 East, N.M.P.M., the Jalmat Gas Pool, Lea County, New Mexico, and concerns but a single royalty owner.
2. That the petitioner's Coats Well No. 2 is located 660' from the South Boundary and 1980' from the West boundary of the lease and section and is completed entirely within the vertical limits of the Jalmat Gas Pool as defined by the New Mexico Oil Conservation Commission.
3. That the petitioner's lease is capable of production by virtue of its production history and offset production.
4. That the petitioner's well was originally drilled to and completed in the Cooper-Jal Oil Pool in 1935 and produced from that zone until April, 1955, at which time, after extensive testing of all possible oil zones, the well was plugged back in conformance to the Commission's specifications and re-completed as a gas well which tested at the rate of 2,600 MCF against a back pressure of 100 psig.
5. That all lands described above, and contained within the limits of the proposed proration unit, are contiguous and lie within the limits of a single legal subdivision (section) of the U. S. Public Land Survey.
6. That a plat showing the above described lands and all offset properties indicating well locations and lease ownership to the best of our knowledge is hereto attached.

Page Two

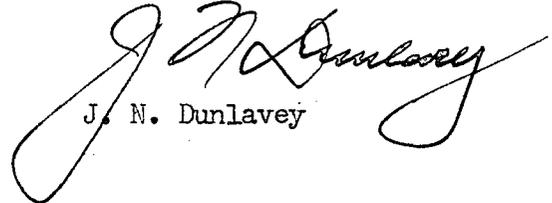
7. That one gas well can efficiently drain as much as 320 acres in the Jalmat Gas Pool; therefore, the approval of this petition will prevent the drilling of an unnecessary well, thus preventing economic waste.

8. That all offset operators are hereby notified by a copy of this application.

Wherefore, the petitioner requests that, in the interest of conservation and protection of correlative rights, the Secretary of the Commission grant an exception of Rule 5 (a), Order No. R-520, without hearing, by which the petitioner may operate the above described lands as a single unit.

Respectfully submitted,

SKELLY OIL COMPANY



J. N. Dunlavey

JND/JDR/b

cc: Kan Mex Corporation  
Dallas National Bank  
Dallas, Texas

Sunray Oil Corporation  
306 Wilkinson-Foster Building  
Midland, Texas

Cities Service Oil Company  
Box 97  
Hobbs, New Mexico

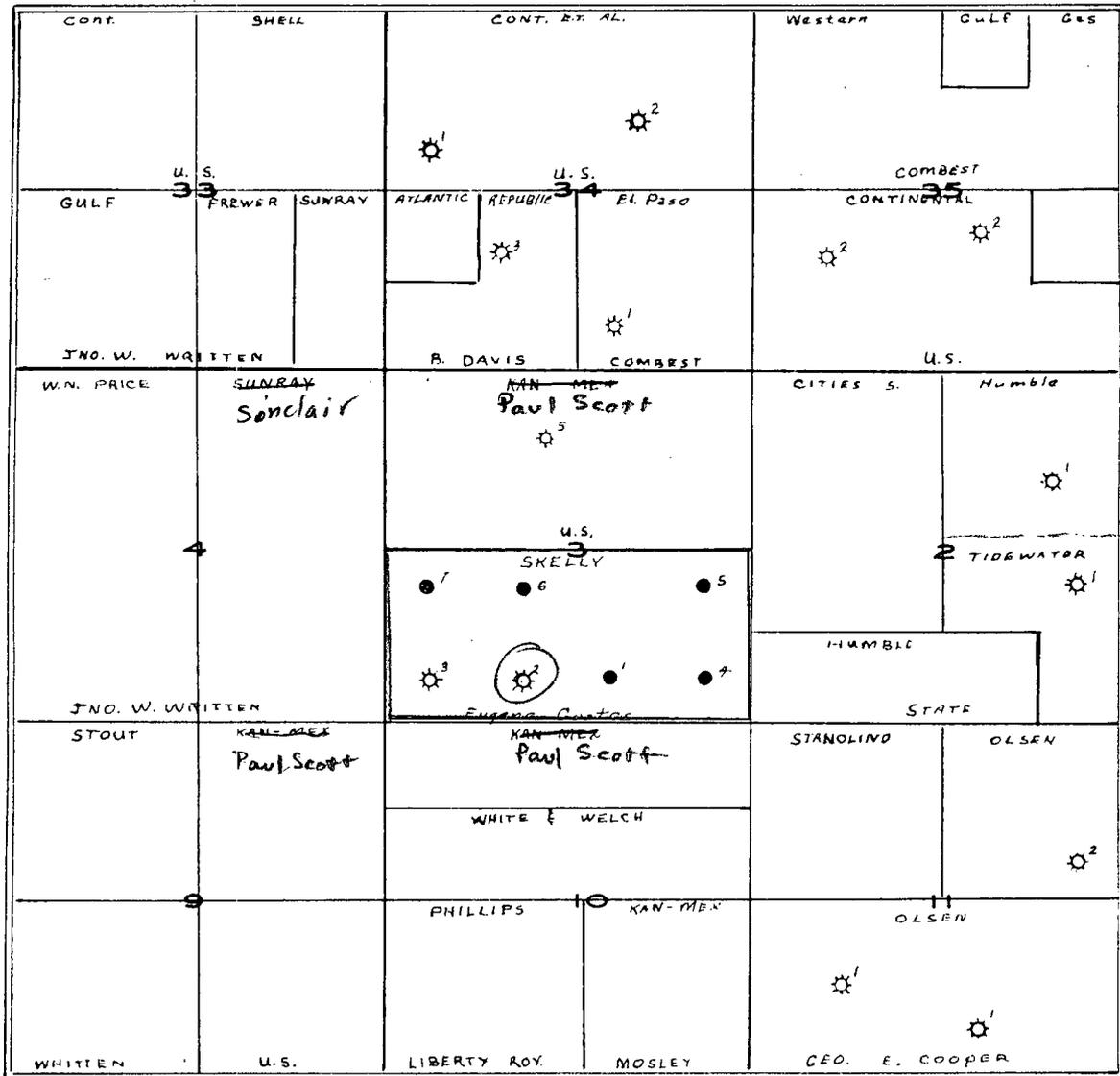
Humble Oil & Refining Company  
c/o R. S. Dewey  
Box 1600  
Midland, Texas

Stanolind Oil & Gas Company  
Box 899  
Roswell, New Mexico

Mr. G. W. Selinger  
Box 1650  
Tulsa, Oklahoma

SKELLY OIL COMPANY  
 EUGENE COATES LEASE  
 WELL No. 2  
 S $\frac{1}{2}$  SEC. 3, T24S, R36E  
 JALMAT GAS POOL  
 LEA COUNTY, NEW MEXICO

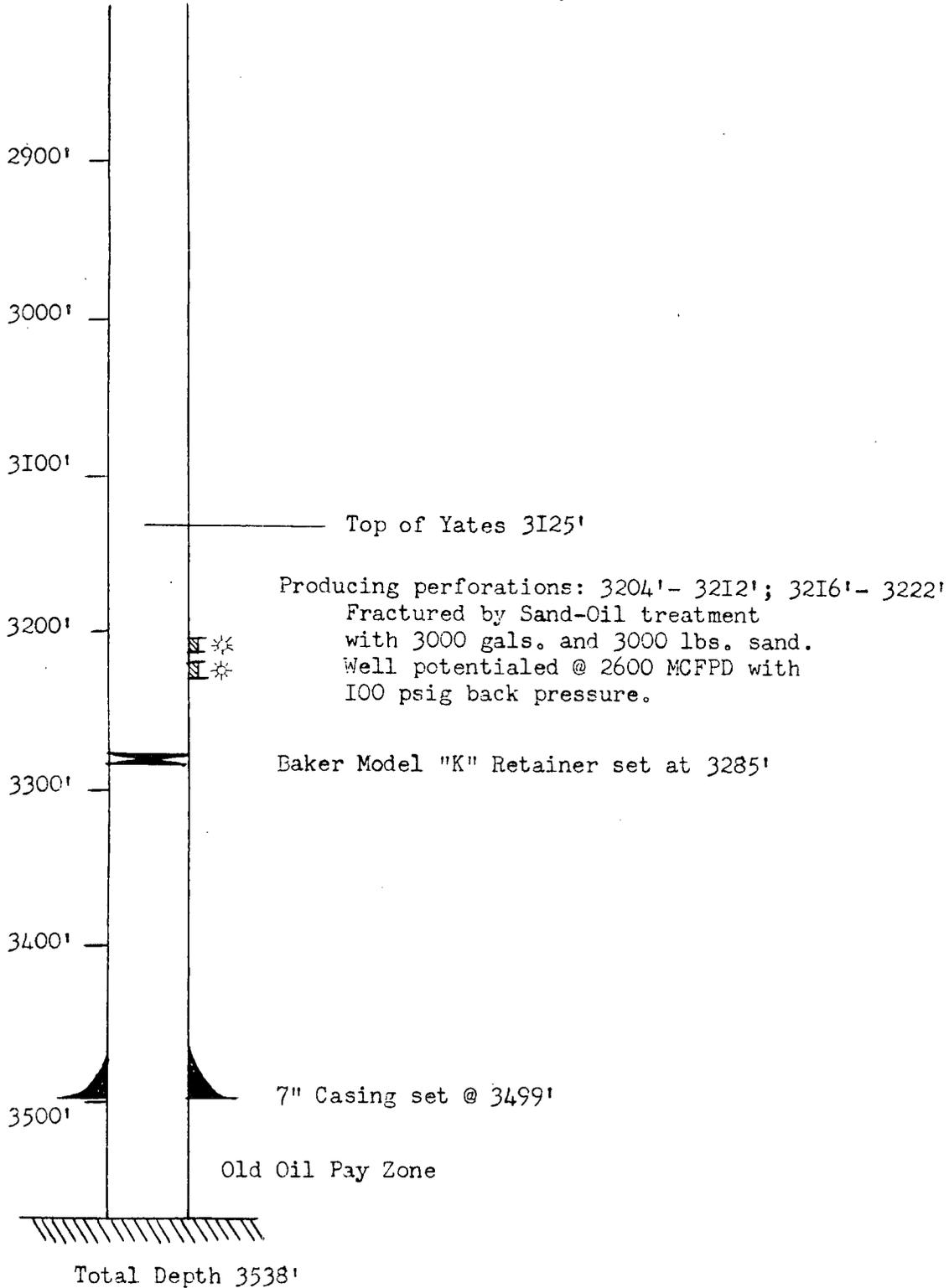
R-36-E



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23  
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SKELLY OIL COMPANY  
EUGENE COATES LEASE  
WELL No. 2  
S $\frac{1}{2}$  SEC 3, T24S, R36E  
JALMAT GAS POOL  
LEA COUNTY, NEW MEXICO



*Charles :*

**HUMBLE OIL & REFINING COMPANY**

MAIN OFFICE OCC

MIDLAND, TEXAS

J. W. HOUSE 1955 MAY 12 AM 8:29

May 10, 1955

File: 6-1 New Mexico

Mr. Wm. B. Macey  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Dear Sir:

Your attention is called to the application of Skelly Oil Company for an exception to Rule 5 (a) Order R-520 for a non-standard 320-acre gas unit comprising the S/2 Section 3, T-24-S, R-36-E in the Jalmat Gas Pool.

Besides the two gas wells located on this 320-acre lease, Skelly has four producing oil wells in the Cooper-Jal oil reservoir.

As stated previously, Humble recommends that the allowable for gas wells be so set that waste will not occur in the production of oil, and that but one allowable be granted to oil and gas wells producing from the same designated common reservoir.

Yours very truly,

J. W. HOUSE

*R. S. Dewey*

BY: R. S. DEWEY

APPROVED:

*[Signature]*

RSD/rs