

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 29, 1955

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

Attention: Mr. J. N. Dunlavy

Gentlemen:

Reference is made to Commission Order No. R-540, which granted approval of an unorthodox gas proration unit of 320 acres for your Mexico "W" Well No. 1, located 660 feet from the South line and 660 feet from the East line of Section 2, Township 21 South, Range 35 East, in the Eumont Gas Pool.

Please be advised that the above mentioned 320 acres has been assigned to your Mexico "W" Wells No. 1 and No. 4 in the proportion of a 160-acre non-standard gas proration unit for each well, as requested in your application of June 28, 1955. Therefore Order No. R-540 and Order No. R-540-A is hereby cancelled effective August 1, 1955.

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

due 7/29/55

BOX 2045

HOBBS, NEW MEXICO

DATE July 5, 1955

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

RE:
PROPOSED NSP 169
PROPOSED NSL _____

Dear Mr. Macey:

I have examined the application dated 6/28/55

for the Skelly Oil Co. Mexico W #4 2-21-35
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

Simultaneous dedication of acreage. Granting of unit based on present
Commission policy.

Yours very truly,

OIL CONSERVATION COMMISSION

S. J. STANLEY

Stanley J. Stanley
Engineer

hs

Order No. R-540

(3) That applicant, Skelly Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
SE/4 and Lots 9, 10, 15 and 16 of Section 2

containing 320 acres, more or less, and lying partially within the horizontal limits of the Eumont Gas Pool.

(4) That the entire 320 acres of said lease is productive of gas from the Eumont Gas Pool.

(5) That applicant, Skelly Oil Company has a producing well on the aforesaid lease known as Skelly Mexico "W" Well No. 1, located 660' from the South line and 660' from the East line of Section 2, Township 21 South, Range 35 East.

(6) That the aforesaid well was completed and in production prior to August 16, 1954, the effective date of Order No. R-520, and is located within limits of the pool heretofore delineated and designated as the Eumont Gas Pool; that at the time said well was completed as a gas well producing from the Eumont Gas Pool, its location conformed to the spacing requirements then in effect.

(7) That it is impractical to pool applicant's said lease with adjoining acreage in the Eumont Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 320 acres.

(8) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(9) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Skelly Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
SE/4 and Lots 9, 10, 15 and 16 of Section 2

is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

Order No. R-540

(2) That applicant's well, Mexico "W" Well No. 1, located in the SE/4 of Section 2, Township 21 South, Range 35 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 320-acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

W. B. MACEY, Secretary and Member

S E A L

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 CON-
SIDERING:

CASE NO. 757
ORDER NO. R-540-A

THE APPLICATION OF SKELLY OIL COMPANY
FOR AN ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 5 (b) (EUMONT)
OF ORDER NO. R-520 IN ESTABLISHMENT OF AN
UNORTHODOX GAS PRORATION UNIT OF 320
CONTIGUOUS ACRES CONSISTING OF SE/4 AND
LOTS 9, 10, 15 AND 16 OF SECTION 2, TOWNSHIP
21 SOUTH, RANGE 35 EAST, NMPM, LEA COUNTY,
NEW MEXICO, LOCATED PARTIALLY WITHIN THE
HORIZONTAL LIMITS OF THE EUMONT GAS POOL:
AND FURTHER, GRANTING APPROVAL OF AN
EXCEPTION TO RULE (2) (EUMONT) OF ORDER NO.
R-520-B, FOR AN UNORTHODOX LOCATION FOR ITS
MEXICO "W", WELL NO. 1, LOCATED 660' FROM THE
SOUTH LINE AND 660' FROM THE EAST LINE OF
SECTION 2, TOWNSHIP 21 SOUTH, RANGE 35 EAST,

NUNC PRO TUNC ORDER OF THE COMMISSION

BY THE COMMISSION:

It appearing to the Commission that Order R-540, dated November 17, 1954, does not correctly and accurately state the order of the Commission in certain particulars due to inadvertence and clerical error,

IT IS THEREFORE ORDERED:

That Order No. R-540, as the same appears in the records of the Commission, and the original of said Order, be amended in the following respects and particulars:

The last full paragraph of the order is ordered stricken and the following paragraph is substituted therefor:

"(2) That applicant's well, Mexico "W" Well No. 1, located in the SE/4 of Section 2, Township 21 South, Range 35 East, NMPM, shall be granted an allowable in accordance with the Eumont Pool Rules, and in the proportion that

the above described 320-acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission."

IT IS FURTHER ORDERED: That the corrections and changes set forth in this order be entered nunc pro tunc in the original order as of November 17, 1954, the date of said original order.

DONE at Santa Fe, New Mexico, on this 13th., day of January, 1955.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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