

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 7, 1963

C
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P
Y

Skelly Oil Company
Box 1650
Tulsa, Oklahoma

Attention: Mr. George W. Selinger

Administrative Order OLS-12

Gentlemen:

Reference is made to your letter of May 24, 1963, wherein you request administrative authority for the off-lease storage of Gallup production from your Navajo "P" comprising the S/2 of Section 25 and the S/2 of Section 26 and all of Sections 35 and 36, Township 32 North, Range 17 West on your Navajo "M" Lease in a tank battery to be located in the NW/4 of Section 34.

Skelly Oil Company is hereby authorized the aforesaid off lease facilities for said lease provided that there shall be no intercommunication of the handling, separating, treating, or storage facilities of this and any other lease.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/DSN/og

cc: Oil Conservation Commission -mttc



1963 MAY 17 5 17
TULSA 2, OKLAHOMA
1963 MAY 17 5 17
SKELLY OIL COMPANY

TULSA 2, OKLAHOMA

PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT

W. P. WHITMORE, MGR. PRODUCTION

W. D. CARSON, MGR. TECHNICAL SERVICES

ROBERT G. HILTZ, MGR. JOINT OPERATIONS

GEORGE W. SELINGER, MGR. CONSERVATION

May 23, 1963

Re: Off Lease Storage
Navajo "P" and "M" Leases
San Juan County, New Mexico

VIA AIR MAIL

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

Request is respectfully made for permission to store off lease from which oil is produced on our Navajo "P" Lease Section 35, T32N-R17W and our Navajo "M" Lease Section 34, T32N-R17W.

Attached hereto is a copy of a letter from USGS approving such off lease storage. Also, a letter indicating the necessity for same and a plat.

Your approval is on a term basis pending a hearing before the Commission to make the approval permanent.

Very truly yours,

George W Selinger

GWS:as



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Drawer 1857
Roswell, New Mexico

May 17, 1963

Skelly Oil Company
P. O. Drawer 510
Farmington, New Mexico

Attention: Mr. J. W. George

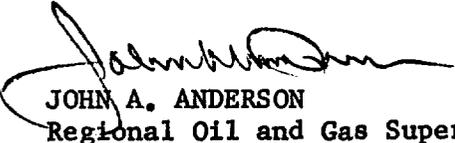
Gentlemen:

Your letter of May 9 requests approval to place storage facilities for wells drilled on your Navajo "P" lease in sec. 35, T. 32 N., R. 17 W., N.M.P.M., San Juan County, New Mexico, Navajo lease 14-20-600-3540, on sec. 34, T. 32 N., R. 17 W., N.M.P.M., Navajo lease 14-20-603-5013.

Your letter states that such off lease storage would make a pipeline connection more economical and would facilitate operations due to terrain.

The method you propose for off lease storage facilities on the Navajo "P" lease is hereby approved subject to like approval by the appropriate officials of the State of New Mexico.

Very truly yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor

~~45-13-63~~
~~45-13-63~~
45-14-63

45-14-63

Drawer 510
Farmington, New Mexico
May 9, 1963

Mr. Phil McGrath
United States Geological Survey
P. O. Box 999
Farmington, New Mexico

Dear Sir:

Shally requests permission to locate the tank battery for Shally's Navajo "P" Lease, Lease No. 14-20-600-5540, off lease. The tank battery will be located on Shally's Navajo "N" Lease, Lease No. 14-20-603-5013. The oil will not be commingled.

Attached is a plat indicating the location of each well, tank battery and flow lines for the two leases.

The reasons for this request are as follows:

1. The pipeline company would not be able to tie-in the tank battery if the tank battery were located on lease. The cost of the length of line that would be required would make it uneconomical for the pipeline company.
2. The roughness of the terrain going to and on the Navajo "P" lease would make it impossible to truck the oil during certain times of the year. This could lead to a loss in production from the lease.
3. Locating the Navajo "P" tank battery near the site of the Navajo "N" tank battery No. 2 would facilitate the operations on these leases.

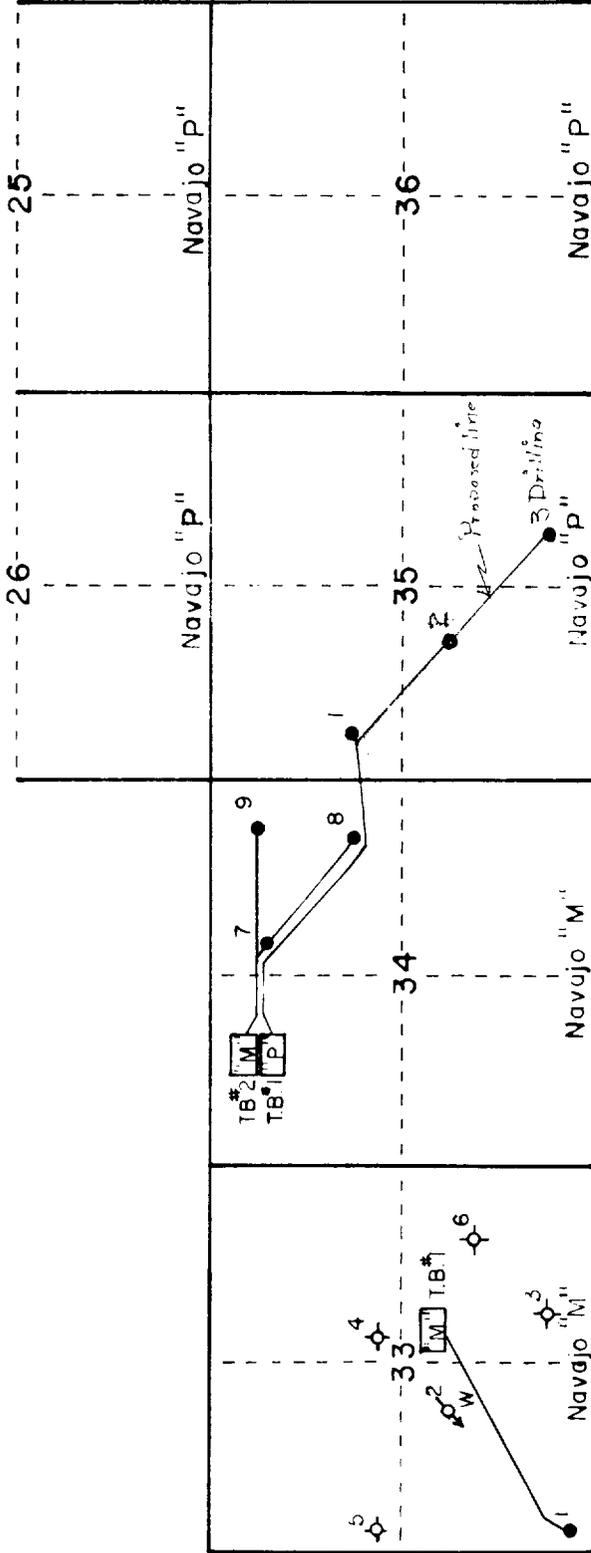
We would appreciate your consideration of this request at your earliest convenience as Shally must also get permission from the Oil Conservation Commission prior to construction of the tank battery.

Very truly yours,
SHALLY OIL COMPANY

J. W. George
J. W. George
Asst. Dist. Supt.

MB/mjo
Attach:
cc: Mr. H. E. Ash

SKELLY OIL COMPANY



Scale 2" = 1 mile

T-32-N, R-17-W

San Juan County, New Mexico

5/9/63

Revised Navajo Ad. Report
5-27-63 NEA



CITIES SERVICE OIL COMPANY

BARTLESVILLE, OKLAHOMA

May 31, 1963

RECEIVED
MAY 21 11 21

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

RE: Application of Skelly Oil Company
for off-lease storage, Navajo "M"
Lease, Navajo "P" Lease, San Juan
County, New Mexico

Dear Mr. Porter:

This is to advise that Cities Service Oil Company has no objection to the request of the Skelly Oil Company for permission to store off-lease oil, which is produced from the Navajo "P" lease, storing such oil on the Navajo "M" Lease, and recommends that the request be granted. This company has a 50 per cent working interest in these properties.

It is our opinion, also, that this request qualifies under Rule 309-C for administrative approval. However, if a hearing should be required in the matter, it is urged that temporary approval be granted pending final decision by the Commission.

Very truly yours,

R. E. Adams
Chief Proration Engineer

sjl

cc Mr. George W. Selinger - Tulsa
Mr. H. E. Aab - Hobbs
Mr. J. E. Embry - 206



SKELLY OIL COMPANY

P. O. Box 1650
TULSA 2, OKLAHOMA

PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT

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W. D. CARSON, MGR. TECHNICAL SERVICES

ROBERT G. HILTZ, MGR. JOINT OPERATIONS

GEORGE W. SELINGER, MGR. CONSERVATION

May 24, 1963

VIA AIR MAIL

Re: Off Lease Storage
Navajo "M" Lease, All Sections 33
and 34-32N-17W
Navajo "P" Lease, S/2 Section 25,
S/2 Section 26, All Sections
35 and 36-32N-17W
San Juan County, New Mexico

Mr. A. L. Porter, Jr. (3)
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

This is to supplement my letter of May 23, 1963, requesting temporary approval pending a hearing for permission to permit production from one lease to be transported prior to measurement to another lease for storage thereon.

Upon further examining this matter, it is felt that this qualifies under Rule 309-C for administrative approval. We, therefore, respectfully request administrative approval, under Rule 309-C for an exception to Rule 309-A, for permission to store off lease, oil which is produced from our Navajo "P" lease, on our Navajo "M" lease. In furtherance of this request, the following information is submitted:

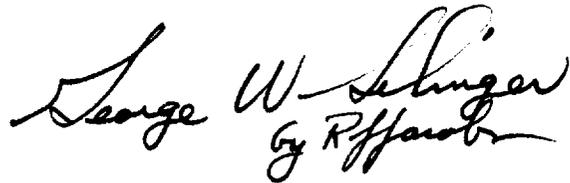
1. All production from each lease is from the Gallup formation.
2. Commingling of production from the two leases will not result.
3. There will be no inter-communication of the handling, separating, treating, or storage facilities designated to each lease.
4. The interest on each of the leases is identical, with Skelly Oil Company and Cities Service each owning 50% working interest under the same operating agreement. Both leases are Departmental Indian leases and attached are copies of a letter from the Department of Interior indicating their approval.

Mr. A. L. Porter, Jr.
May 24, 1963
Page 2

By carbon copy of this letter, being sent by certified mail return receipt requested, we are notifying Cities Service Petroleum Company of our request in this matter.

If for some reason it is felt that this does not qualify for administrative approval under Rule 309-C, please set this matter down for hearing. If a hearing is necessary, please set it for an Examiner Hearing the second week of July, as we plan to have other matters before the Commission at that time.

Yours very truly,

A handwritten signature in cursive script. The main signature reads "George W. Selinger" and is followed by "By R. F. Jacobs" in a smaller, similar script.

RJJ:br

cc - Certified Mail Return Receipt Requested
Cities Service Petroleum Company
Box 97
Hobbs, New Mexico