

Case No.

2367

Application, Transcript,
and Exhibits, Etc.

mailed
9/19-61
docket to
and
Somedan
OK - JH
8-17-61
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CASE 2367. Application of Sundry
For unorthodox gas preparation unit.
(E. L. Steeler Well No. 7.)

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

October 16, 1961

Mr. George W. Selinger
Skelly Oil Company
Box 1630
Tulsa, Oklahoma

Re: Case No. 2367
Order No. R-2090
Applicant:
Skelly Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, JR.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

OTHER Mr. Jason Kellahin (For Samadan)

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. 2367
Order No. R-2090

APPLICATION OF SKELLY OIL COMPANY
FOR A 320-ACRE NON-STANDARD GAS
PROBATION UNIT IN THE JALIST GAS
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 4, 1961, at Santa Fe, New Mexico, before Elvis A. Utz,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accordance
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of October, 1961, the Commission,
a quorum being present, having considered the application and the
recommendations of the Examiner, Elvis A. Utz, 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, has requested
that Case No. 2367 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2367 is hereby dismissed.

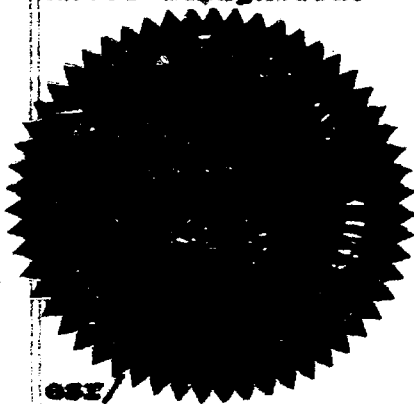
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHAM, Chairman

E. S. Walker
E. S. WALKER, Member

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



Cases 2367

Heard 10-4-61

Rec. 10-5-61

Dismiss case as requested by
Shelley.

Thos. D. W.

No. 27-61

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 4, 1961

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING ---- SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

CONTINUED CASE

CASE 2367: Application of Skelly Oil Company for an unorthodox gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the NE/4, NW/4 SE/4, N/2 SW/4 and SW/4 SW/4 of Section 17, Township 23 South, Range 37 East, Lea County, New Mexico; said unit is to be dedicated to the E. L. Steeler Well No. 7, located 1980 feet from the South line and 660 feet from the West line of said Section 17.

NEW CASES

CASE 2388: In the matter of the hearing called by the Oil Conservation Commission to permit Juan J. (John J.) Moya and all interested parties to appear and show cause why the Jones Well No. 1, located 1650 feet from the South line and 990 feet from the East line of Section 7, Township 30 North, Range 11 West, San Juan County, New Mexico, should not be plugged.

CASE 2389: Application of Shell Oil Company for approval of the Cabezon Unit Agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cabezon Unit Agreement embracing lands in Townships 16 and 17 North, Ranges 2, 3 and 4 West, Rio Arriba County, New Mexico.

CASE 2390: Application of Continental Oil Company for a 320-acre non-Standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the S/2 of Section 7, Township 23 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the Stevens B-7 Well No. 1, located 990 feet from the South and West lines of said Section 7.

- CASE 2391: Application of Continental Oil Company for a 320-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the S/2 of Section 25, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Lynn B-25 Well No. 2, located 990 feet from the South and West lines of said Section 25.
- CASE 2392: Application of Continental Oil Company for a 240-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the NW/4 and W/2 NE/4 of Section 23, Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Meyer B-23 Well No. 3, located 1980 feet from the North line and 660 feet from the West line of said Section 23.
- CASE 2393: Application of Continental Oil Company for a 240-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the SE/4 and E/2 NE/4 of Section 23, Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Meyer B-23 Well No. 2, located 990 feet from the South line and 1650 feet from the East line of said Section 23.
- CASE 2394: Application of Hondo Oil & Gas Company for permission to directionally drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to directionally drill a well to be located 2310 feet from the North line and 1980 feet from the East line of Section 26, Township 17 South, Range 28 East, Eddy County, New Mexico.
- CASE 2395: Application of Nash, Windfohr & Brown for the establishment of a limiting gas-oil ratio in the Jackson-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a limiting gas-oil ratio of 4000:1 in the Jackson-Abo Pool in Township 17 South, Range 30 East, Eddy County, New Mexico.

- CASE 2396: Application of C. W. Trainer for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate his Hobbs Well No. 1 at an unorthodox oil well location in the Hobbs Pool, 2545 feet from the North line and 1184 feet from the East line of Section 34, Township 18 South, Range 38 East, Lea County, New Mexico.
- CASE 2397: Application of Reading and Bates, Inc. for a temporary exception to Rule 107 (d), Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a temporary exception to Rule 107 (d) to permit the production of oil from its Simms Federal Well No. 1 located in Section 34, Township 18 South, Range 30 East, North Benson Queen Pool, Eddy County, New Mexico, without installing tubing.
- CASE 2398: Application of Ford Chapman for a 42.35-acre non-standard oil proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 42.35-acre non-standard oil proration unit in an undesignated Delaware pool comprising Lot 12, Section 34 and Lot 9, Section 35, all in Township 26 South, Range 29 East, Eddy County, New Mexico, said unit to be dedicated to the Curtis Hankamer Gulf-Federal Pipkin No. 1 Well, located 330 feet from the South line and 605 feet from the East line of said Section 34.
- CASE 2399: Application of Texaco Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Paduca- Delaware Pool for its Cotton Draw Unit Well No. 54, located 1980 feet from the North line and 2339 feet from the East line of Section 28, Township 25 South, Range 32 East, Lea County, New Mexico.
- CASE 2400: Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its C. H. Weir "A" Well No. 7, located in Unit L, Section 12, Township 20 South, Range 37 East, Lea County, New Mexico, as a triple completion in the Eumont Gas, Skaggs-Glorieta, and Skaggs-Drinkard Pools, with production of oil from the Drinkard and Glorieta zones to be through parallel strings of 2 3/8 inch tubing and the production of gas from the Eumont Gas Pool through the tubing-casing annulus.



SKELLY OIL COMPANY

P. O. Box 1650
TULSA 2, OKLAHOMA

September 8, 1961

PRODUCTION DEPARTMENT
C. L. BLACKSHER, VICE PRESIDENT
W. P. WHITMORE, GENERAL MANAGER

Re: Case No. 2367 - Application
of Skelly Oil Company

Mr. R. S. Morris
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Morris:

This matter was originally set for August, and upon our request continued.

We would appreciate if and when this Case is set for the date of continuance, and at said date we respectfully request that this matter be dismissed on our application without prejudice.

Very truly yours,

George W. Selinger
George W. Selinger

GWS:br

*Back - The case was
continued to Oct 4th
jlb*

Case 2367
Heard 8-30-61
Rec. 8-31-61

Continue Case to ^{1st} ~~last~~ Ex.
hearing in Oct.

Therrell NG

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
54 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

YUCCA 3-9396
YUCCA 2-2991

August 24, 1961

Case 2367

case file

Mr. R. S. Morris
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Case No. 2367, Application of
Skelly Oil Company.

Dear Mr. Morris:

We have received a copy of a request from Skelly Oil Company for continuance of the above case, and Samedan Oil Corporation has no objection and concurs in this request for continuance.

I would appreciate being informed when this matter is set for hearing.

Very truly yours,

Jason W. Kellahin

JASON W. KELLAHIN

jwk:mas

cc: Mr. Cliff Matthews
Samedan Oil Corporation

Mr. George W. Selinger
Skelly Oil Company

*Doyle to
Mabel
9/19/61*



SKELLY OIL COMPANY

P. O. Box 1650
TULSA 2, OKLAHOMA

PRODUCTION DEPARTMENT
C. L. BLACKSHER, VICE PRESIDENT
W. P. WHITMORE, GENERAL MANAGER

August 22, 1961

Re: Case No. 2367

Mr. R. S. Morris
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Morris:

Our application for a 320-acre non-standard gas unit in the Jalmat Gas Pool of Lea County, New Mexico, covering our E. L. Steeler Well No. 7, is set for hearing the morning of August 30, 1961.

Samedan Oil Corporation has filed a protest, and by carbon copy of this letter we would like to have this matter continued for at least thirty days or sometime the end of September, 1961.

Very truly yours,

George W. Selinger

GWS:br

cc-Mr. J. W. Kellahin
P. O. Box 1713
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

*Cover
2361*

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Miles
J-N-61*

C
O
P
Y

July 26, 1961

Shelly Oil Company
Box 38
Bellevue, New Mexico

Attention: Mr. H. E. Aab

Gentlemen:

Reference is made to your application dated July 3, 1961, requesting a non-standard gas proration unit in the Jalnet Gas Pool on your E. L. Steeler Lease.

Please be informed that Samaden Oil Corporation, on July 21, 1961, filed a written protest to administrative approval of your application. Accordingly, your application has been set for hearing before a Commission examiner. This hearing will be held in the latter part of August, and you will receive a copy of the docket notifying you of the date of hearing.

Very truly yours,

RICHARD S. MORRIS
Attorney

REM/osr



SKELLY OIL COMPANY

Box 38, Hobbs, New Mexico

July 3, 1961

Re: Skelly's E. L. Stealer Lease
Unorthodox Gas Production Unit
Jalnet Gas Pool

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Attached please find four copies of an application to extend the gas production unit for our E. L. Stealer Well No. 7 from one hundred sixty (160) to three hundred twenty (320) acres. Also attached is a plat showing the present gas unit, proposed gas unit, oil and gas wells, and offset operations.

Yours very truly,

SKELLY OIL COMPANY

H. E. Aab

H. E. Aab

District Superintendent

HEA/FIM/e

Attachments:

cc: N.M.O.C.C., P. O. Box 2045, Hobbs, New Mexico
Canadian Oil Corp., P. O. Box 2137, Hobbs, New Mexico
Western Nat. Gas, 323 Midland Tower Building, Midland, Texas
Amara Petroleum Corp., Drawer D, Monument, New Mexico

NIP 560
4

Case 2367

Re: 8-17-61
Marked

8-17-61

Correct
Marked

9-19-61

OK

RE: APPLICATION OF SKELLY OIL
COMPANY TO EXTEND AN UNORTHODOX
GAS PRORATION UNIT, TO CONSIST
OF 320 CONTIGUOUS ACRES IN THE
JALMAT GAS POOL, LEA COUNTY,
NEW MEXICO.

TO: THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

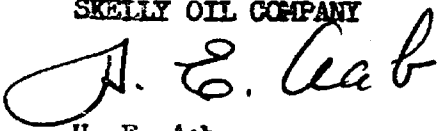
Comes now Skelly Oil Company, requesting approval of extending a 160 acre unorthodox gas proration unit to a 320 acre unorthodox gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico, where the standard gas proration unit is 640 acres. The applicant respectfully alleges and states as follows:

1. That it is the owner and operator of its E. L. Steeler lease, consisting of 320 contiguous acres, described as the NE/4 and NW/4 SE/4 and N/2 SW/4 and SW/4 SW/4 of Section 17, T-23-S, R-37-E, Lea County, New Mexico, and that no diversity of royalty ownership is involved.
2. That it is the owner and operator of the E. L. Steeler Well No. 7, located 1980' from the south boundary and 660' from the west boundary of the lease and section, and is completed within the vertical limits of the Jalmat Gas pool as defined by the New Mexico Oil Conservation Commission.
3. That the present unorthodox gas proration unit consists of 160 acres, described as the NW/4 SE/4; N/2 SW/4; and SW/4 SW/4, Section 17, T-23-S, R-37-E, Lea County, New Mexico.
4. That the applicant requests extension of the unorthodox gas proration unit to include its E. L. Steeler lease in entirety, as described in item one (1) above.
5. That the proposed extension, i. e., the NE/4 of Section 17, T-23-S, R-37-E, can reasonably be presumed to be productive of gas from the Jalmat gas pool.
6. (a) That production tests indicate the E. L. Steeler Well No. 7 is capable of a monthly gas production of 13,901 MCF, whereas the highest monthly allowable assigned it during the previous year was 6,848 MCF.
(b) Furthermore, that the well is capable of producing in excess of the expected allocation, should approval be granted this application.
7. 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.
8. That all offset operators have been notified with a copy of this application by registered mail.

Therefore, in the interest of conservation, protection of correlative rights, and to prevent undue hardship, the applicant requests that the Secretary of the Commission administratively grant approval of this application, enabling said applicant to operate the above described lands as a single unit.

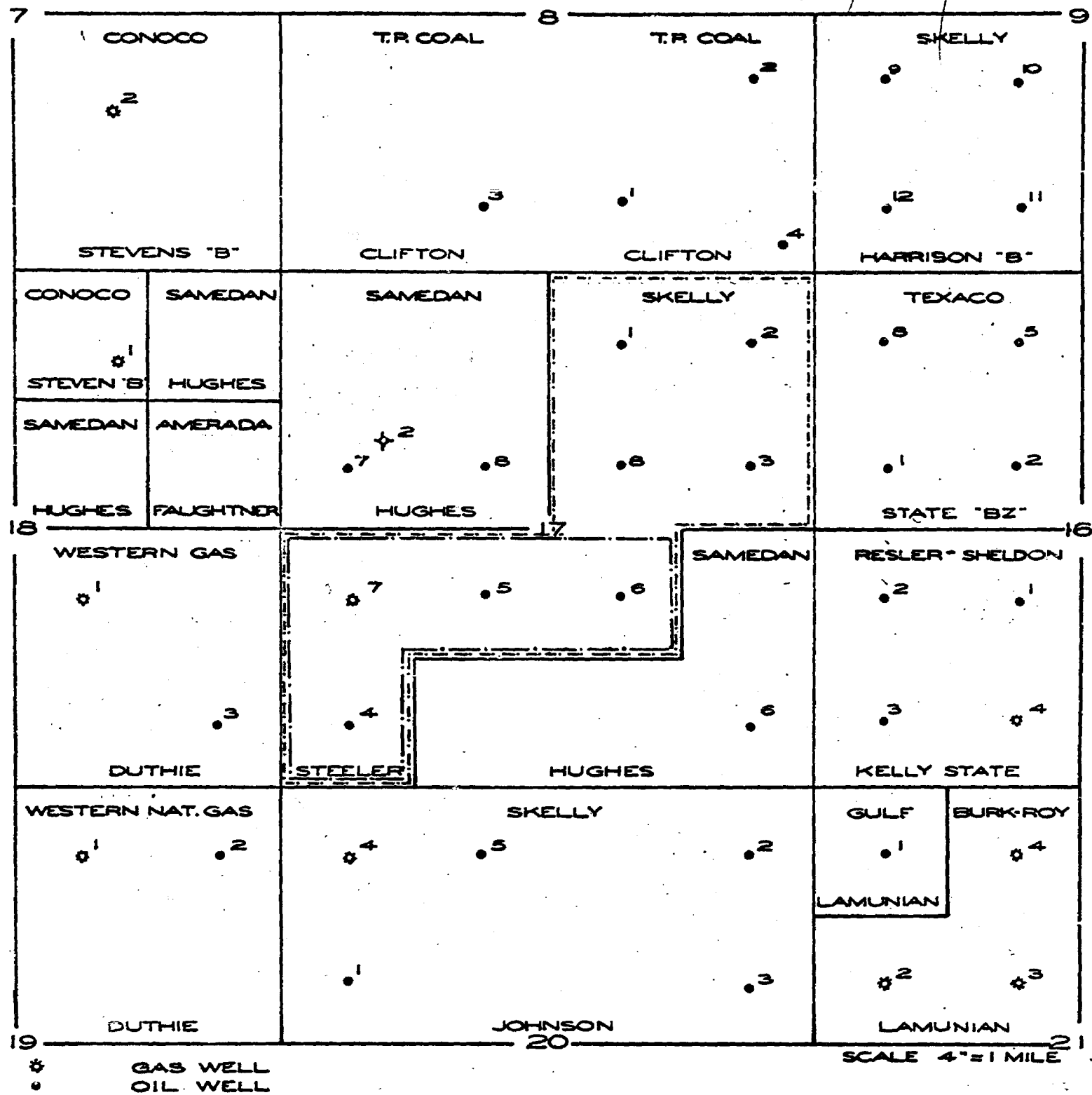
Respectfully submitted,

SKELLY OIL COMPANY


H. E. Aab
Dist. Supt.

SKELLY OIL COMPANY
E.L. STEELER LEASE
SECTION 17-T23S-R37E
LEA COUNTY NEW MEXICO

Alfred
236



——— PRESENT DEDICATED ACREAGE
- - - - - PROPOSED DEDICATED ACREAGE

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SKELLY OIL COMPANY FOR APPROVAL
OF A NON-STANDARD GAS PRORATION
UNIT, FOR ITS E. L. STEELER LEASE,
JALMAT GAS POOL.

*Case
2367*

P R O T E S T

Comes now Samedan Oil Corporation and protests administrative approval of the application of Skelly Oil Company for a non-standard gas proration unit for its E. L. Steeler lease, consisting of the NE/4, NW/4 SE/4, N/2SW/4, SW/4 SW/4, Section 17, Township 23, South, Range 37 East, Lea County, New Mexico, and as grounds therefor would show the Commission:

1. Samedan Oil Corporation is the owner of the working interest as to the remainder of the land in said Section 17.
2. Approval of the application of Skelly Oil Company would result in two isolated 160-acre tracts within said Section 17, which would require the drilling of two wells in order to adequately develop said acreage.
3. Approval of the application would impair the correlative rights of Samedan Oil Corporation and would result in waste in that it would necessitate the drilling of unnecessary wells on said Section 17.
4. Copies of this protest have been served upon the applicant and upon offsetting operators by mailing copies as follows:

Skelly Oil Company
Box 38
Hobbs, New Mexico

Western Nat. Gas
823 Midland Tower Building
Midland, Texas

Amerada Petroleum Corp.
Drawer D
Monument, New Mexico


WHEREFORE, Samedan Oil Corporation prays that the application of Skelly Oil Company for administrative approval of a non-standard gas proration unit as sought in said application be denied, and that this matter be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, said application be denied.

Respectfully submitted,

SAMEDAN OIL CORPORATION

By Jason W. Kellahin
Jason W. Kellahin
Kellahin & Fox
P. O. Box 1713
Santa Fe, New Mexico

ATTORNEYS FOR PROTESTANT



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CM 3-6691

PAGE

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
AUGUST 30, 1961

EXAMINER HEARING

IN THE MATTER OF:
CASE 2367

TRANSCRIPT OF HEARING



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
August 30, 1961
9:00 A.M.

IN THE MATTER OF:

Application of Skelly Oil Company for an
unorthodox gas proration unit in the
Jalmat Gas Pool, Lea County, New Mexico.
Applicant in the above-styled cause, seeks
the establishment of a 320-acre non-standard
gas proration unit in the Jalmat Gas Pool,
consisting of the NE/4, NW/4 SE/4, N/2 SW/4
and SW/4 SW/4 of Section 17, Township 23
South, Range 37 East, Lea County, New Mexico;
said unit is to be dedicated to the E. L.
Steeler Well No. 7, located 1980 feet from
the South line and 660 feet from the West
line of said Section 17.

Case 2367

BEFORE:

Elvis A. Utz, Examiner

EXAMINER HEARING

EXAMINER UTZ: The first case on the docket will be
Case 2367.

MR. MORRIS: Application of Skelly Oil Company for an un-
orthodox gas proration unit in the Jalmat Gas Pool.

Mr. Examiner, the Applicant in this case has requested
a continuation for at least 30 days. The Protestant in the case
concurs in the Applicant's request for a continuance.

MR. UTZ: Is there any objection to the Applicant's
motion for continuance for a 30-day period? If there is no
objection, Case 2367 will be continued to the first Examiner

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Hearing in the month of October.

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, MICHAEL P. HALL, Court Reporter do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill, and ability.

IN WITNESS WHEREOF, I have affixed my hand and notary seal this 30th Day of August, 1961.

Michael P. Hall
Court Reporter - Notary Public

My Commission expires:

June 20, 1961

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2367, heard by me on 8-60, 1961.

[Signature] Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 4, 1961

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CN 3-6691

ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

Application of Skelly Oil Company for an unorthodox gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the NE/4, NW/4 SE/4, N/2 SW/4 and SW/4 SW/4 of Section 17, Township 23 South, Range 37 East, Lea County, New Mexico; said unit to be dedicated to the E. L. Steeler Well No. 7, located 1980 feet from the South line and 660 feet from the West line of said Section 17.

CASE NO.
2367

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

EXAMINER UTZ: The hearing will come to order, please.
The first case will be Case No. 2367.

MR. MORRIS: Application of Skelly Oil Company for an unorthodox gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico.

The Applicant, Skelly Oil Company, has requested that this case be dismissed.

EXAMINER UTZ: Is there objection to the Applicant's motion for dismissal of Case No. 2367?



There being no objections, Case No. 2367 will be dismissed.

STATE OF NEW MEXICO)
COUNTY OF SAN JUAN) ss

I, THOMAS F. HORNE, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

T. Horne
NOTARY PUBLIC

My Commission Expires:

10-2-65

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2367, heard by me on 10-4-65, 1965.

Shirley D. [Signature]
Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

