

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. 801
Order No. R-590-A

THE APPLICATION OF SKELLY OIL
COMPANY FOR AN ORDER GRANTING
PERMISSION TO DUALY COMPLETE ITS
BAKER "B" WELL NO. 15, IN THE BLINEBRY
GAS POOL AND THE TUBB GAS POOL, AND
TO ESTABLISH A 240- ACRE NON-STANDARD
GAS PRORATION UNIT CONSISTING OF THE
SW/4, AND W/2 SE/4 OF SECTION 10, TOWN-
SHIP 22 SOUTH, RANGE 37 EAST, NMPM,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on December 16, 1954, and March 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 20th day of April, 1955, the Commission, a quorum being present, having considered the evidence and testimony adduced, 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 the applicant, Skelly Oil Company, is owner of an oil and gas lease in Lea County, New Mexico, the land consisting of:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SW/4, W/2 SE/4 of Section 10

containing 240 acres more or less, lying within the horizontal limits of the Blinebry and Tubb Gas Pools.

(3) That applicant, Skelly Oil Company, has a well on the afore-said lease known as the Baker "B" Well No. 15, located 1830' from the south line and 2130' from the east line of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) That on February 25, 1955, the Commission entered Order No. R-590 which granted permission to dually complete said well in the Blinebry and Tubb Gas Pools, and said order remanded that portion of the



application dealing with the formation of the non-standard gas proration unit for rehearing on March 16, 1955.

(5) That pursuant to the provisions of Rule 7 (a) of Order No. R-372-A and Order R-373-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(6) That the above-described 240-acre lease is productive of gas from the Blinebry and Tubb Gas Pools.

(7) That it is impractical to pool applicant's said lease with adjoining acreage in the Blinebry or Tubb Gas Pools, and owners of adjoining acreage in said area have not objected to formation of the proposed proration unit.

(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 natural gas from the Tubb and Blinebry Gas Pools.

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

IT IS THEREFORE ORDERED:

1. That the application of the Skelly Oil Company for approval of a non-standard gas proration unit in the Tubb Gas Pool, consisting of the following described acreage:

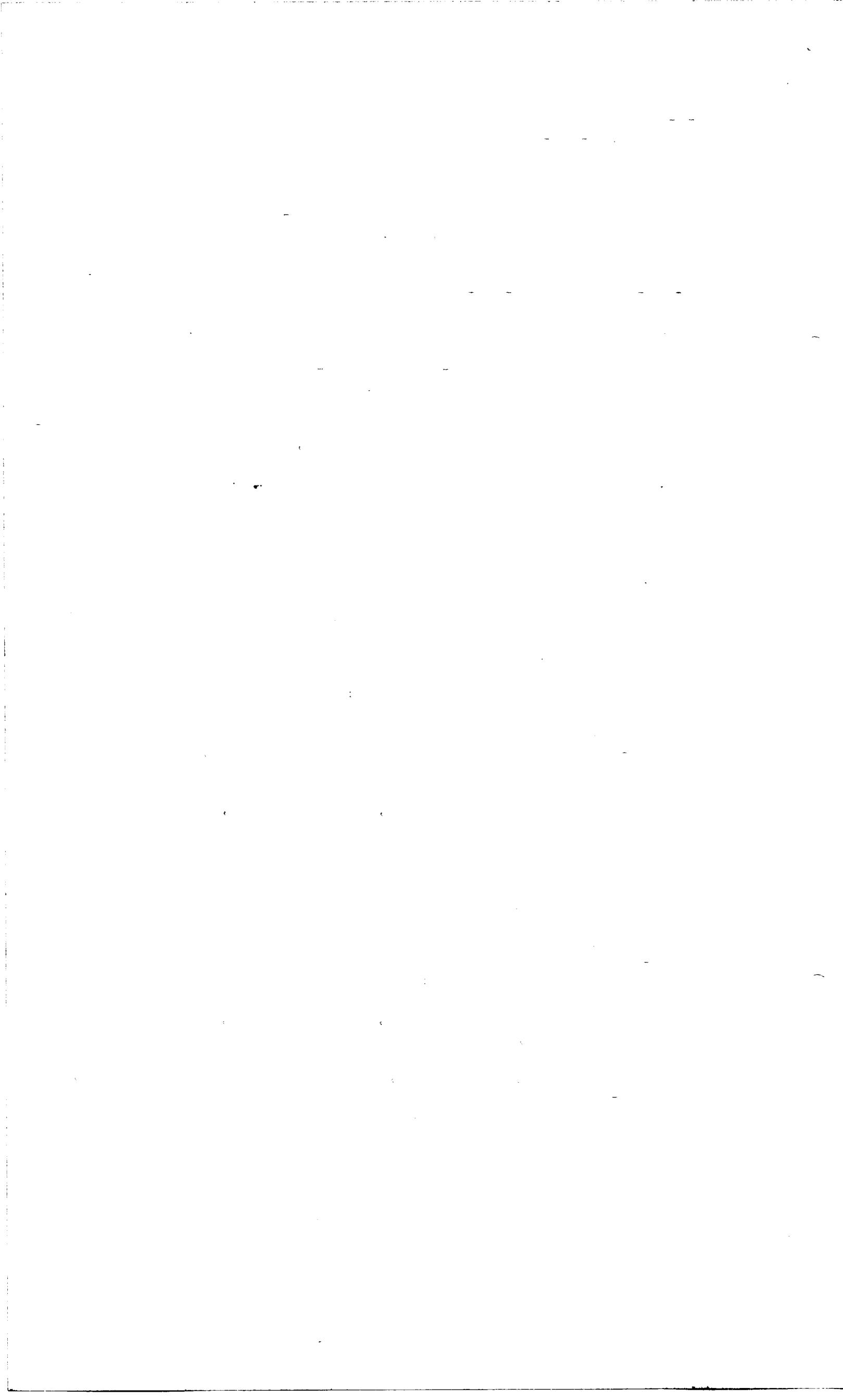
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SW/4, W/2 SE/4 of Section 10

containing 240 acres more or less, be and the same is hereby approved, and a proration unit comprising the aforesaid acreage is hereby created in the Tubb Gas Pool.

2. That the application of Skelly Oil Company for approval of a non-standard gas proration unit in the Blinebry Gas Pool consisting of the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SW/4, W/2 SE/4 of Section 10

containing 240 acres, more or less, be and the same is hereby approved, and a 240-acre proration unit comprising the aforesaid acreage is hereby created in the Blinebry Gas Pool.



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Order No. R-590-A

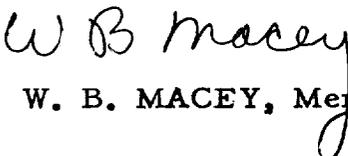
3. That applicant's well, Baker "B" Well No. 15, located in the NW/4 SE/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above 240-acre unit bears to the standard or orthodox proration unit for the respective pools, all until further order of the Commission.

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


W. B. MACEY, Member and Secretary

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