



SKELLY OIL COMPANY

P. O. Box 730, Hobbs, New Mexico 88240

April 20, 1965

Re: Administrative Order NSP-169
July 29, 1955
(Mexico "W" No. 4 - Eumont Pool
Lea County, New Mexico)

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Gentlemen:

Skelly Oil Company presently operates its Mexico "W" Well No. 4, located 3300' FNL and 660' FEL of Section 2, T21S, R35E, Lea County, New Mexico, in the Eumont Gas Pool under Administrative Order NSP-169, dated July 29, 1955. Mexico "W" No. 1 is operated in the same manner under Administrative Order NSP-169-A, dated July 29, 1955.

Skelly hereby respectfully requests that Orders NSP-169 and NSP-169-A be cancelled. These orders granted approval of 160-acre nonstandard gas proration units to Well Nos. 4 and 1, respectively.

It is further requested that Order No. R-540, dated November 17, 1954 and Order No. R-540-A, dated January 13, 1955, pertaining to Mexico "W" Well No. 1, be re-instated. These orders granted approval of 320-acre unorthodox gas proration unit for this well. Mexico "W" No. 1 is located 660' FSL and 660' FEL of Section 2, T21S, R35E, Lea County, New Mexico, and produces as a single gas well in the Eumont Gas Pool. Form C-102 for Well No. 1 is attached, showing re-dedication of 320 acres to the well.

Very truly yours,

SKELLY OIL COMPANY

H. E. Aab
District Superintendent

WMC/erl

cc: New Mexico Oil Conservation Commission
Hobbs, New Mexico

Mr. George Selinger
Tulsa, Oklahoma

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 29, 1955

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

O
Attention: Mr. J. N. Dunlavey

Administrative Order NSP-169-A

Gentlemen:

P
Reference is made to your application for approval of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the following acreage:

Township 21 South, Range 35 East, NMPM
SE/4 of Section 2

Y
It is understood that this unit is to be ascribed to your Mexico "W" Well No. 1, located in Lot 23, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico.

By authority granted me under provisions of Rule 5, Section 6 (b) of the Special Rules and Regulations for the Eumont Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 160 acres.

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

P. O. BOX 871

SANTA FE, NEW MEXICO

July 29, 1955

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

Attention: Mr. J. N. Dunlavey

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~~ *date of Commission action*
No. 1.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:jh

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

1-320 ✓
4-112 17c

~~MM 046 Engrs Comm.~~

RECEIVED

SECTION 2, TOWNSHIP 21 SOUTH,

Box 38, Hobbs, New Mexico
June 28, 1955

also

NSP-169
NSP-169A
due 7/29/55

(also see DC-212
due 7/8)

SE/4
well #1

for Annual
NSP
R-540 A
from 320 ft
to 160 ft

Re: IN THE MATTER OF APPLICATION OF
SKELLY OIL COMPANY SEEKING ADMIN-
ISTRATIVE APPROVAL TO DUAL COMPLETE
ITS MEXICO "W" WELL NO. 4 AND TO
GRANT AN EXCEPTION TO RULE 5(a),
ORDER R-520 FOR A NON-STANDARD 160
ACRE UNIT COMPRISING LOTS 9,10,15
AND 16, SECTION 2, TOWNSHIP 21 SOUTH,
RANGE 35 EAST IN THE EUMONT OIL
POOL AND THE EUMONT GAS POOL, LEA
COUNTY, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Gentlemen:

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 to dual complete its Mexico "W" Well No. 4 and for approval of a
non-standard 160 acre unit in the Eumont Oil Pool and the Eumont Gas Pool,
Lea County, New Mexico, and in support thereof does state:

- a. SKELLY OIL COMPANY is the sole owner of an oil and gas
lease consisting SE/4 and Lot 9,10,15 and 16 or Section
2, Township 21 South, Range 35 East, N.M.P.M., Lea County,
New Mexico, known as its Mexico "W" Lease.
- b. That the SKELLY OIL COMPANY Mexico "W" Well No. 4 is
located 3300' from the North line and 660' from the East
line of Section 2-T21S-R35E.
- c. That the applicant, SKELLY OIL COMPANY, does plan to dual
complete the subject well in the following manner:
 1. Set a Brown Oil Tool Packer at 3821' to segregate the
two producing zones.
 2. Perforate the 5 1/2" OD casing in the Yates section
between 3504' and 3630' all in the vertical limits
of the Eumont Gas Pool.
 3. Produce the Eumont oil through the tubing and the
Eumont Gas through the tubing-casing annulus.

- d. That the method and manner in which the applicant proposes is both mechanically feasible and practical.
- e. That all rules and regulations set out by the New Mexico Oil Conservation Commission will be complied with, both in the completion and operation of this well.
- f. That a diagrammatic sketch of the proposed operation and a plat of the area showing the location of the well and its relation to all offset operators is hereto attached, complete and accurate to the best of our knowledge.
- g. That all offset operators are hereby notified by a copy of this application.
- h. That the entire 320 acres of the Mexico "W" Lease are at present dedicated to the Mexico "W" Well No. 1 gas well. If permission is granted to dual complete Well No. 4, two gas proration units will be made with 160 acres dedicated to Well No. 1 and 160 acres dedicated to Well No. 4.
- i. That the above statements are true and correct to the best of my knowledge.

Therefore, applicant prays that the Secretary of the Commission grant permission to dual complete the above well and to grant an exception to Rule 5(a), Order R-520, without hearing, in the interest of conservation and protection of correlative rights.

Respectfully submitted,

SKELLY OIL COMPANY

J. N. Dunlavey
J. N. Dunlavey
Dist. Supt.

Encl.

Sworn and subscribed to before me this 28th day of June, 1955.

W. B. Cook
Notary Public

My Commission Expires Aug 19, 1956

cc: Amerada Petroleum
Drawer "D"
Hobbs, New Mexico

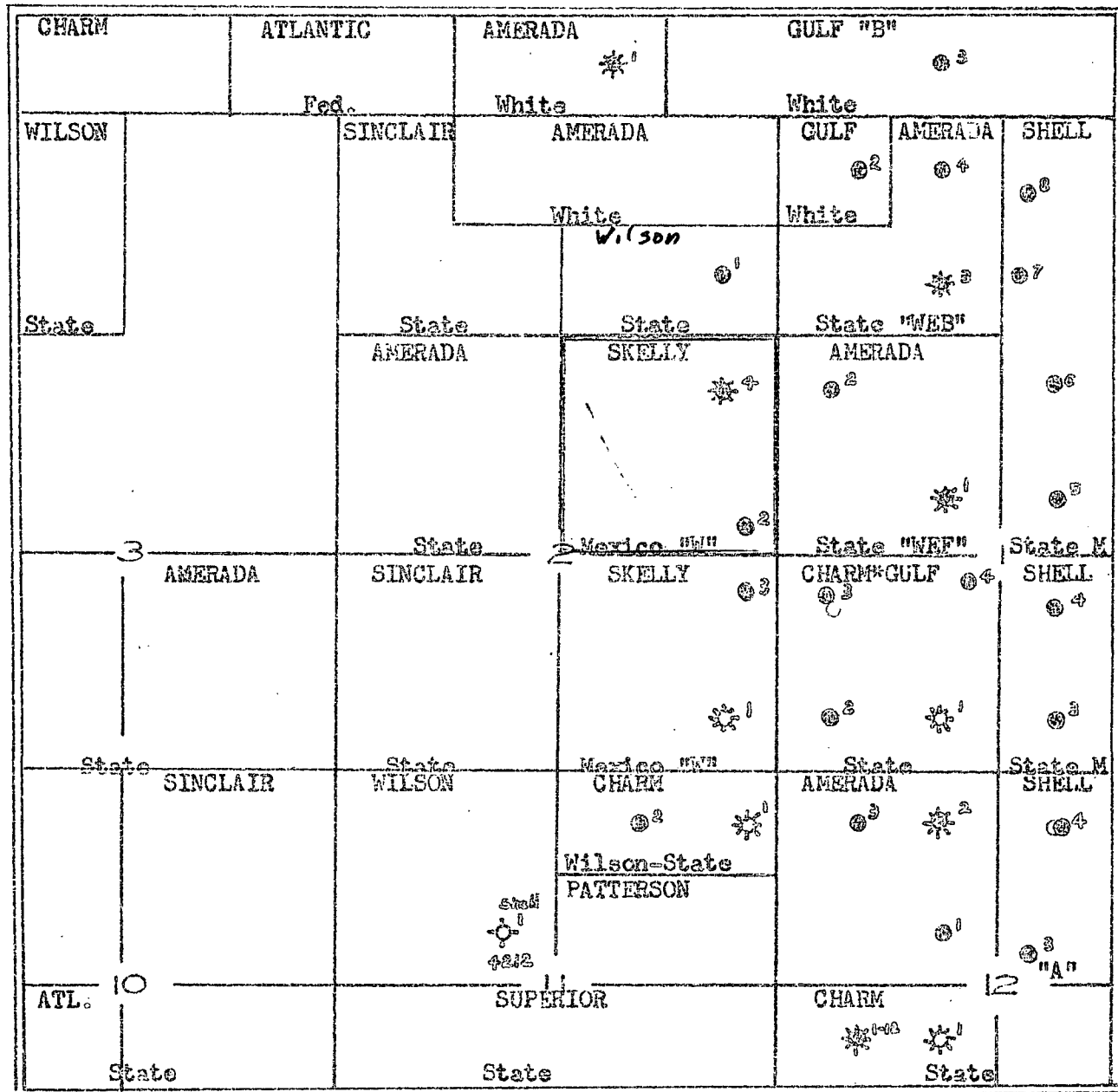
Sinclair Oil & Gas Co.
Box 1470
Midland, Texas

Charm Oil Co.
314 Carper Bldg.
Artesia, New Mexico

Wilson Oil Co.
Box 1436
Artesia, New Mexico

Mr. G. W. Selinger
Skelly Oil Company
Tulsa, Oklahoma

SKELLY OIL COMPANY
 Mexico "W" Lease
 Well # 4
 Sec. 2-T21S-R35E



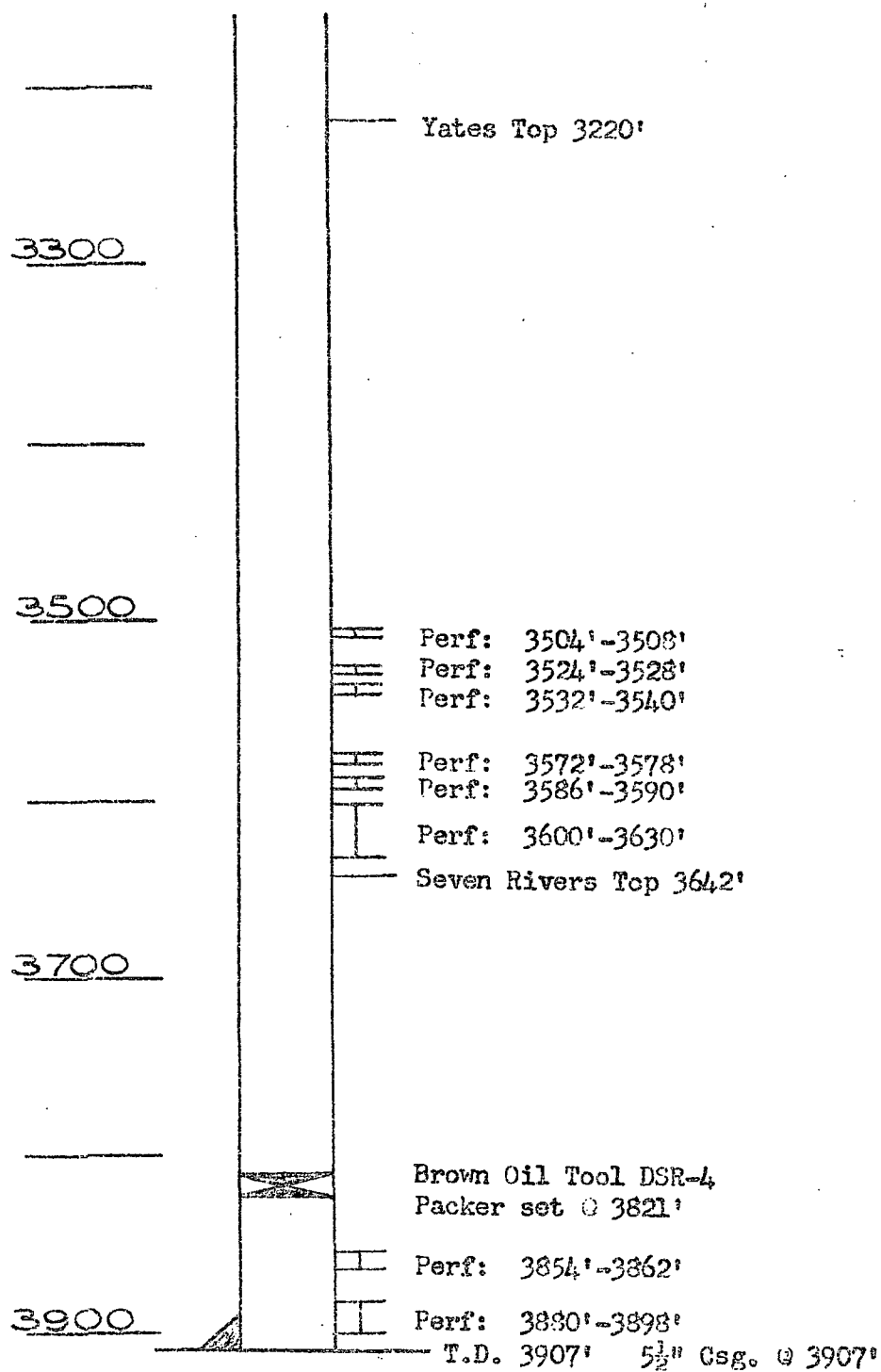
T20S

T21S

R35E

R36E

SKELLY OIL CO
MEXICO W LEASE
WELL NO. 4



(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 afore-said 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 part-
iculars 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 sub-
stituted therefor:

"(2) That applicant's well, Mexico "W" Well
No. 1, located in the SE/4 of Section 2, Town-
ship 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

S E A L