



SKELLY OIL COMPANY

TULSA, OKLAHOMA

PRODUCTION DEPARTMENT
H. M. STALCUP, VICE PRESIDENT
J. S. FREEMAN, ASSISTANT

March 25, 1940

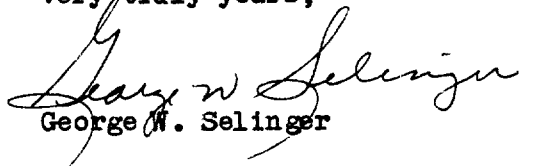
Mar 27 9 00 AM '40
J. S. Freeman, Asst.

Mr. Frank Worden
Land Commissioner
Santa Fe, New Mexico

Dear Sir:

In line with the request of the Commission at the Monument field hearing, that producers and operators in the Monument field file statements, on behalf of the Skelly Oil Company we are attaching hereto three copies of statement which we would like to have considered part of the record.

Very truly yours,


George W. Selinger

GWS/mb

cc - Mr. Carl B. Livingston
Mr. J. N. Dunlavey

MAR 27 9 00 AM '46
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STATEMENT

The Skelly Oil Company are a producer and operator in the Monument field, having seventeen units, and therefore have a vital interest in the proration formula of the Monument field.

In the past hearings on this field, the Commission have permitted all of the operators to express themselves to the Commission. This year, however, due to the pressure of time, for brevity's sake the Commission are permitting written statements for the record.

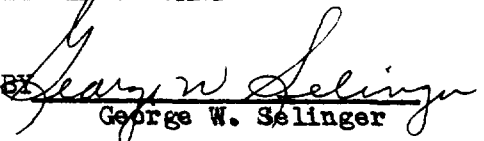
If the Commission will recall, and the record being the best evidence will show that an announcement was made requesting that operators submit statements as to whether or not they were satisfied with the present proration formula in the Monument field. Of the twenty-seven operators in the field only the Barnsdall Oil Company expressed dissatisfaction with the present proration formula, and this should indicate that, with representatives of all operators being present, only one company has expressed dissatisfaction. Perhaps one or two others by their written statements - in which case we would have no knowledge - may have some slight grievance against the present plan, but by and large the vast majority of the operators seek no change in the present proration formula in the Monument field.

A great deal of technical and engineering evidence has been presented to the Commission, and we would like to point out that said evidence had nothing to say about waste, and the whole controversy narrowed down to the one proposition of equity, that is, which operator should get how much oil. Specifically, the matter of drainage is one of equity only, and the true test of equity, in the absence of positive individual tract ascertainment of oil in place, is whether or not such proration order is reasonable. What is a truer test of any order of the Commission than the fact that it meets the approval of almost every operator in this field? It is self evident that the order is a reasonable one as it so meets the express approval of almost all of the operators. In passing it might be well to state that any change in the present order would naturally injure some operators and benefit other operators, and it is quite obvious, therefore, that since equities have been established under the present plan, no change should be made by the Commission. The properties have been operated on the present plan with operators going along, and they are certainly entitled to have the Monument field proration plan settled once and for all, as operators look to the Commission for a proration formula which would create stabilization to which they certainly are entitled.

In conclusion, therefore, we most sincerely urge the Commission to retain the present proration formula in the Monument field because it is a practicable, reasonable and equitable proration formula.

Respectfully submitted,

SKELLY OIL COMPANY

BY 
George W. Selinger