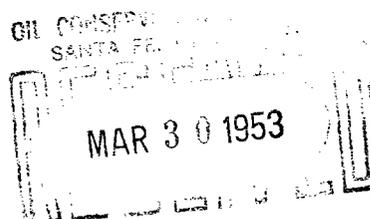


BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
March 17, 1953

TRANSCRIPT OF HEARING

CASE NO. 497



BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
March 17, 1953

In the Matter of:

Application of Skelly Oil Company granting permission to directionally drill its Mexico "T" Well No. 1, SE SE, Sect. 2, Twp. 12 S, Rge. 32 E, for reasons of geologic implication; said well-bore to be deviated to the west to a position equivalent to a surface location of 550' from the South and East lines of Section 2, through methods of controlled directional drilling.

}
}
}
}
}
}
}
}
}
}
}
} Case No. 497

TRANSCRIPT OF HEARING

(Notice of publication read by Mr. Graham.)

MR. SPURRIER: Is there anyone to appear in Case 497? If not I will read a letter I had from the attorney for Skelly.

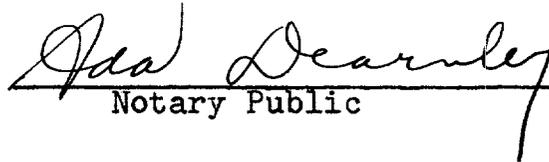
"Please continue Case 497 to April 16th hearing, from March 17th as originally requested. The well is drilling and will not be completed by March 17th, hence reports could not be filed at the hearing. Signed George W. Sellinger, Skelly Oil Company."

Are there any objections to Mr. Sellinger's motion? If not we will continue the case to April 16th.

STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

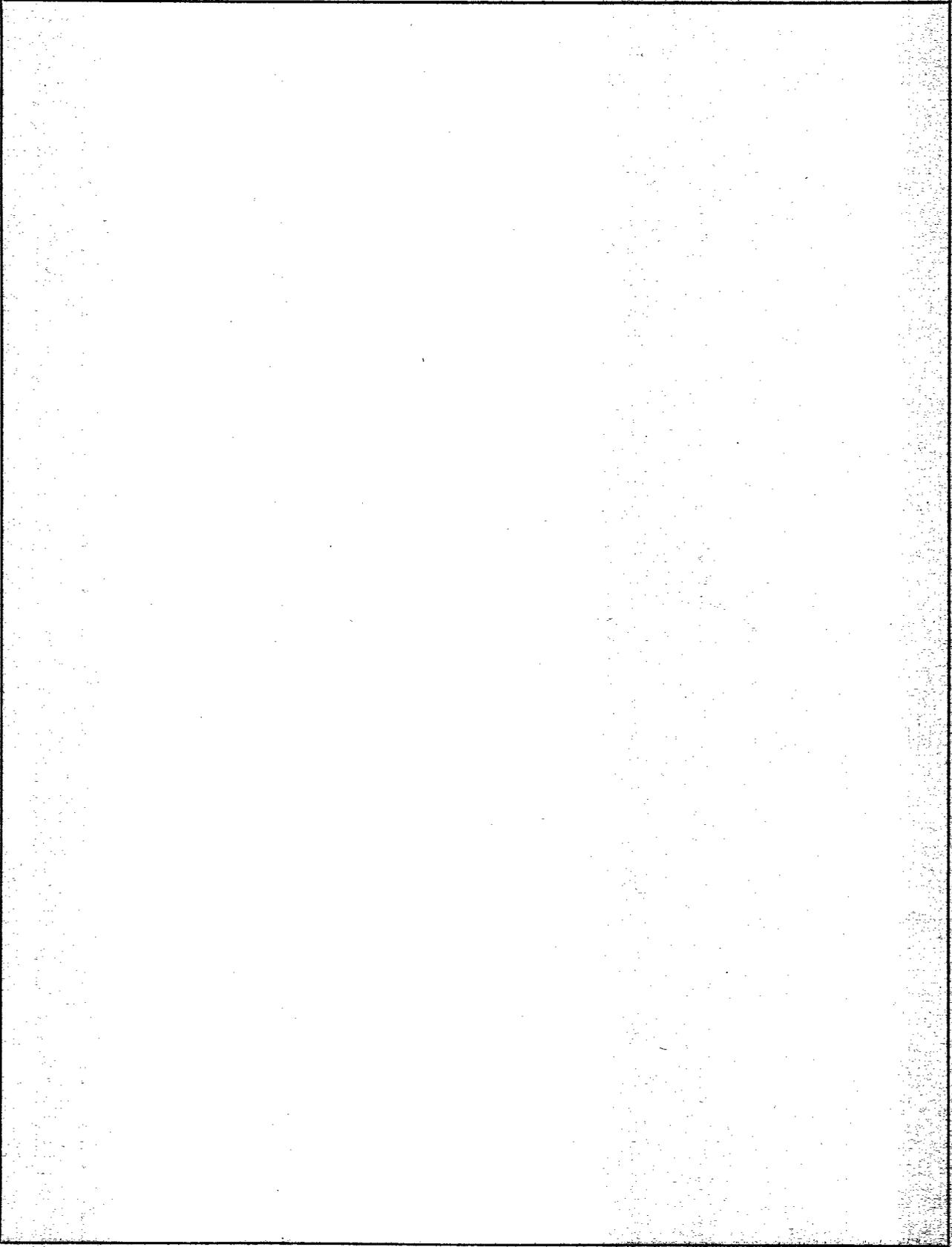
I, ADA DEARNLEY, hereby certify that the above and foregoing transcript of proceedings in Case 497, taken before the Oil Conservation Commission on March 17, 1953, at Santa Fe, New Mexico, is a true and correct record.

Dated in Albuquerque, New Mexico, this 24th day of March, 1953.



Notary Public

My Commission Expires:
June 19, 1955.



**E. E. GREESON
ADA DEARNLEY
COURT REPORTERS**

BOX 1303

PHONES 5-9422 AND 5-9546

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.
RECEIVED
JUN 22 1953

CASE 497: (Readvertised)

In the matter of the application of Skelly Oil Company for an order granting permission to directionally drill its Mexico 'T' Well No. 1, SE/4 SE/4 NE/4, Section 2, Township 12 South, Range 32 East, NMPM, for reasons of geologic implication; said well-bore to be deviated to the northwest to an approximate position equivalent to a surface location of 550 feet from the south and west lines of the SE/4 NE/4 of Section 2, through methods of controlled directional drilling.

TRANSCRIPT OF HEARING

June 16, 1953

Date

BEFORE: Honorable Ed. L. Mechem, Governor
Honorable E. S. Walker, Land Commissioner
Honorable R. R. Spurrier, Director, OCC

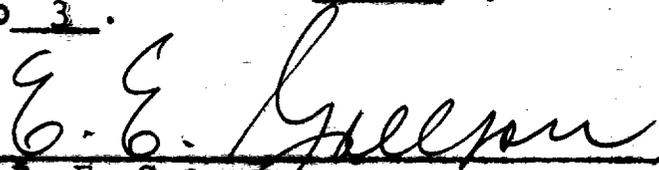
STATE OF NEW MEXICO)

ss

COUNTY OF BERNALILLO)

I HEREBY CERTIFY That the within transcript of proceedings before the Oil Conservation Commission is a true record of the same to the best of my knowledge, skill, and ability.

DONE at Albuquerque, N. M., this 20th day of
June 1953.


E. E. Green
Notary - Reporter

My Comm. Ex. 2
August 4, 1956



COM. SPURRIER: The next case on the docket is Case 497.

(Mr. Graham reads the advertisement.)

MR. SELINGER: For the applicant Skelly Oil Company, George W. Selinger. We have one witness, Mr. Max Curry, which we would like to have sworn.

MAX E. CURRY

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. SELINGER:

Q State your name.

A Max E. Curry.

Q And you are associated with Skelly Oil Company?

A Petroleum engineer.

Q Where are you located, Mr. Curry?

A Hobbs, N. M.

Q Are you familiar with the Skelly Oil Company's Mexico 'T' lease?

A I am.

Q Is that in the East Caprock Field of Lea County, New Mexico?

A It is in the East Caprock-Devonian Field.

Q I hand you what has been marked as Skelly's Exhibit 1. Is that a plat of a portion of the East Caprock Field which contained the Mexico "T" lease of Skelly Oil Company?

A It is.

Q It shows the No. 1 well marked on its surface and at the bottom of the old location, is that correct?

A That is correct.

Q Now, upon completion of the well, did you have a survey run to indicate the exact location of the bottom of the hole?

A There was.

Q Does that survey indicate the deviation from surface?

A It does.

Q The surface of the location was 330 ft. from the south and 330 ft. from the east edges of the lease?

A That is correct.

Q And it has been shipstocked to the west area of the lease at approximately what distance from the south line and what distance from the west line of the lease?

A 343.48 ft. from the south line, and 437.20 ft. from the west line.

Q I hand you what has been marked as Skelly Exhibit 2. Is that a copy of the survey report from Eastman Oil Well Survey Company showing the surface location and the bottom of the hole location, and the deviation therefrom?

A That is correct, it does.

Q This well was originally started for a Wolfcamp

or Pennsylvanian producer and was switched to the deviation for the purpose of securing production from the Devonian, is that correct?

A That is correct.

Q And you are filing the survey report in compliance with Rule 111 of the general state-wide rules?

A That is correct.

Q Prior to the actual whipstocking of this well, did you not contact the Oil and Gas Conservation Commission and secure permission, subject to the compliance with Rule 111, for such whipstocking?

A That was done, yes.

MR. SELINGER: We would like to offer in evidence Skelly's Exhibits 1 and 2. And that is all we have.

COM. SPURRIER: Without objection, they will be admitted. Are there any questions of the witness?

MR. GRAHAM: What is the land status? Who owns that land?

A That is a state lease.

COM. SPURRIER: If there are no further questions, the witness may be excused.

Is there anyone else to be heard in this case? If not, we will take it under advisement and move on to Case 521, which is consolidated with Case 245.

-----0-----

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

April 16, 1953

CASE 497 - Application of Skelly Oil Company for permission to drill directionally its Mexico T-1 Well, SE SE Section 2, Township 12S, Range 32E, NMPM, said well-bore to be deviated to the west to a position equivalent to a surface location of 550' from South and East lines of Section 2 through methods of controlled directional drilling.

MR. SELINGER: George W. Selinger representing Skelly Oil Company. This well is still in process of being drilled and we would like to have that case set over to the June 16th hearing. I might also point out that the description of this notice, although our application is correct, is incorrect to the extent that the Mexico T-1 well is located in the approximate center of the SE SE NE of Section 2. The notice inadvertently left out the NE.

MR. WHITE: The application is correct?

MR. SELINGER: Yes.

MR. SPURRIER: Is there any objection to grant the motion to continue the case until the June 16th hearing?

MR. SELINGER: Mr. Spurrier, I might also say that the notice is also incorrect as to its being 550 feet from the South and East lines of Section 2. That is not correct. It is going to be 550 feet from the South and East lines of the lease which is to be from the NE quarter of Section 2. The notice/indicate that it shall be 550 feet from the South and East lines of the NE quarter of Section 2. ^{should}

MR. SPURRIER: How does that come out as to distance from the Section lines?

MR. SELINGER: Let me see - - -

MR. SPURRIER: I thought you had it.

MR. SELINGER: No.

MR. SPURRIER: That's all right.

MR. SELINGER: The well will be 770' from the East line and 2,090' from the North line of Section 2.

