



19 1955
Case 1996

SKELLY OIL COMPANY

LAND AND LEASE DEPARTMENT

A. L. CASHMAN, VICE PRESIDENT
D. N. HILL, MGR. CENTRAL DIVISION
A. J. O'ROURKE, MGR. NORTHERN DIVISION
W. W. SIMPSON, MGR. SOUTHERN DIVISION
T. F. THOMPSON, MGR. LEASE RECORDS

TULSA 2, OKLAHOMA

December 6, 1955

Re: Approval of Bogle Farms
Unit Agreement
Lea County, New Mexico

Mr. W. B. Macey
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Pursuant to discussion between Mr. Jack Swink of the Superior Oil Company and yourself and Mr. Walker, we desire this letter to be our application for hearing before Trial Examiner in approving a Skelly operated Unit Agreement between Skelly and Superior, covering 2,240 acres as follows:

S2 Sec. 9; all Sec. 16; E2 Sec. 17;
E2 Sec. 20; all Sec. 21-11S-34E

Attached hereto are three exhibits indicating the unit area involved, the schedule of percentage and ownership of the oil and gas interests in the lands, and thirdly, a structure map showing that the unit will cover substantially all of the probable productive area. All of the lands covered in the above description are State lands, and we desire to drill a proposed Devonian test to approximately 13,500 ft., with the proposed location being in the SW¹/₄ of Section 16-11S-34E.

It is our understanding that this matter will be heard by Trial Examiner in Santa Fe at 10:00 A. M., Monday, December 19.

Mr. W. B. Macey

December 6, 1955

Our information is that the following companies
have acreage offsetting the unit:

Ohio	Jake Hamon
Gulf	Amerada
Atlantic	Sinclair

Yours very truly,

SKELLY OIL COMPANY

BY Geo. W. Selinger by *[Signature]*
George W. Selinger

GWS/jl

CC: Hon. E. S. Walker
Land Commissioner
State Capital
Santa Fe, New Mexico



*Jan 19
hearing*

SKELLY OIL COMPANY

PRODUCTION DEPARTMENT
J. S. FREEMAN, VICE PRESIDENT

TULSA 2, OKLAHOMA

December 9, 1955

Re: Bogle Farms Unit

Mr. Warren Mankin
New Mexico Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Sir:

Your telephone call in my absence was passed on to me this morning advising that you could not set this matter for hearing on December 19, and that January 19 would be the most practical date for presentation of our matter. In line with your advices we are herewith requesting January 19 for hearing on this matter.

The unit agreements are being prepared now, and as soon as they are prepared, circulated and executed, we will send copies to the Oil Conservation Commission and to Mr. Walker, Land Commissioner.

Yours very truly,

George W. Selinger
George W. Selinger

GWS:zmr

cc-Mr. H. H. Kaderli
Skelly Oil Company
Box 993
Midland, Texas

100-916
In reply refer to:
Unit Division

January 30, 1956

Skelly Oil Co.
P. O. Box 1650
Tulsa, Oklahoma

Attention: Mr. W. J. Stewart
Land Department

Re: Eogle Farms Unit Area
Lea County, N. Mex.

Gentlemen:

We are enclosing three copies of the
Eogle Farms Unit Agreement, which was approved
by the Commissioner of Public Lands January 30,
1956.

We would call your attention to Exhibit "B"
Tracts One and Two. The record owner should be
listed as Skelly Oil Co. We have changed our
Exhibit "B" accordingly.

Also enclosed is Official Receipt No. 110870
in the amount of \$25.00 to cover filing fee.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMR/m
enc: 4

cc: USGS-Roswell
OCC-Santa Fe

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 24, 1956

Mr. George W. Selinger
Skelly Oil Company
P.O. Box 1650
Tulsa 2, Oklahoma

Dear Sir:

We enclose a copy of Order R-755 issued February 20, 1956,
by the Oil Conservation Commission in Case 996, which was heard
on January 19th.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encl.

C
O
P
Y

796

April 29, 1957

In reply refer to:
Unit Division

Skelly Oil Co.
Tulsa 2, Oklahoma

Attention: Mr. T. F. Thompson

Superior Oil Co.
Midland, Texas

Re: Termination of Bogle Farms
Unit Agreement

Gentlemen:

We are enclosing one copy of your Request for
Termination of the Bogle Farms Unit Agreement.

This request, signed by both Skelly Oil Company
and The Superior Oil Company, the only interested
parties, was approved by the Commissioner of Public
Lands on April 29, 1957, and shall become effective
May 1, 1957.

Thanking you for your prompt action in this
matter,

Very truly yours,

HARRY E. MORGAN
Commissioner of Public Lands

By: C. C. Delberry, Supervisor
Oil and Gas Department

MEW:LR/m
enc: 1

ILLEGIBLE



SKELLY OIL COMPANY

TULSA, OKLAHOMA

COPY

P. O. Box 993
Midland, Texas
December 6, 1955

Re: BOGLE FARMS UNIT
S2 Sec. 9; All of
Sec. 16, E2 Sec. 17, E2
Sec. 20, and all of
Sec. 21, T-11S, R-34-E
Lea County, New Mexico

Honorable E. S. Walker
Commissioner of Public Lands
Capitol Building
Santa Fe, New Mexico

Conservation Commission
Capitol Building
Santa Fe, New Mexico

Attention: Mr. Macy✓

Gentlemen:

Of even date our management in our Tulsa Office has furnished you with exhibits in connection with the above proposed unit, a hearing on which you tentatively agreed with Mr. Swink of Superior Oil Company to be held on December 19th.

The listed lessees, not included in the unit, owning acreage offsetting said unit are as follows:

<u>Company</u>	<u>State Lease No.</u>
Gulf Oil Corporation	E-9242
Sunray Mid-Continent	E-9495
Amerada Petroleum Co.	E-2303
Atlantic Refining Co.	E-3272, E-2965 & E-2189
Sinclair Oil & Gas Co.	E-8300 & E-9497
Jake L. Hamon	E-8902
Ohio Oil Company	E-9320

HHK:VW

cc Skelly Oil Company
Tulsa, Oklahoma
Attention: Mr. Stewart,
Land Dept.
Attention: Mr. Sellenger,
Production Dept.

Yours very truly,

SKELLY OIL COMPANY

By: 
H. H. Kaderli

**EXHIBIT A
AMENDMENT TO THE
BOGLE FARM UNIT AGREEMENT**

Paragraph 13 (Page 11 to the Bogle Farms Unit Agreement). LEASES AND CONTRACTS CONFORMED AND EXTENDED INsofar AS THEY APPLY TO LANDS WITHIN THE UNITIZED AREA. The terms, conditions and provisions of all leases, sub-leases, operating agreements and other contracts relating to the exploration, drilling development or operation for oil or gas of the lands committed to this agreement, shall, upon approval hereof by the Commissioner be and the same are hereby expressly modified and amended insofar as they apply to lands within the unitized area to the extent necessary to make the same conform to the provisions hereof and so that the length of the secondary term as to lands within such area will be extended insofar as necessary to coincide with the term of this agreement and the approval of this agreement by the Commissioner and the lessee shall, without further action of the Commissioner or the lessee, be effective to conform the provisions and extend the term of each such lease as to lands within the unitized area to the provisions and terms of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement insofar as it applies to lands within the unitized area, shall continue in force beyond the term provided therein so long as this agreement remains in effect, provided, drilling operations upon the initial test well provided for herein shall have been commenced or said well is in the process of being drilled by the Unit Operator prior to the expiration of the shortest term lease committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable laws shall continue in full force and effect thereafter. The commencement, completion, operation or production of a well on any part of the unit area shall be respectively construed and considered as the commencement or completion or

or operation or production of a well within the terms and provisions of each of the oil and gas leases to the same extent as though such commencement, completion, operation or production was carried on, conducted and/or obtained from any such leased tract.

Any lease having only a portion of its lands committed hereto shall be segregated as to the portion committed and the portion not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if unitized substances are discovered and are capable of being produced in paying quantities from some part of the lands embraced in such lease committed to this agreement at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the lessor or the Unit Operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced in such lease, the same as to all lands embraced therein shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of unitized substances, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as unitized substances in paying quantities are being produced from any portion of said lands.

**CERTIFICATE OF APPROVAL
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO,
OF UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION OF
THE BOGLE FARMS UNIT AREA
LEA COUNTY, NEW MEXICO**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached agreement for the development and operation of the Bogle Farms Unit Area, Lea County, New Mexico, dated as of the 26th day of January, 1956, in which Shelly Oil Company is designated as Unit Operator and which has been executed by all parties owning and holding oil and gas leases embracing lands within the unit area and upon examination of said agreement, that it will be necessary to amend said Unit Agreement by substituting a clause (see Exhibit A attached) in lieu of Paragraph 13, Page 11, of the Bogle Farms Unit Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy;
- (b) That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its land in the area affected;
- (c) That the agreement is in other respects for the best interest of the State;
- (d) That the agreement provides for the unit operation of the area, for the allocation of production, and the sharing of proceeds from a part of the area covered by the agreement on an acreage basis as specified in the agreement.

NOW, THEREFORE, by virtue of the authority conferred upon me by Chapter 7, Article 11, Section 39 of New Mexico Statutes 1953 Annotated, 1, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and affirm the said agreement subject to the amended portion aforesaid, and upon commencement of operation on the leased lands, pursuant to this agreement, it shall be deemed an approval of this agreement by the parties hereto, as amended, and all leases embracing lands in the State of New Mexico committed to said Unit Agreement shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of this agreement. This approval is subject to all of the provisions of the aforesaid Chapter 7 of the Laws of the State of New Mexico, 1953, as amended.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 30th day of January, 1956.

E. S. Walker
Commissioner of Public Lands
of the State of New Mexico