



Case 1555

SKELLY OIL COMPANY

TULSA 2, OKLAHOMA

PRODUCTION DEPARTMENT
C. L. BLACKSHER, VICE PRESIDENT

November 3, 1958

New Mexico Oil Conservation Commission
State Capitol Building
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

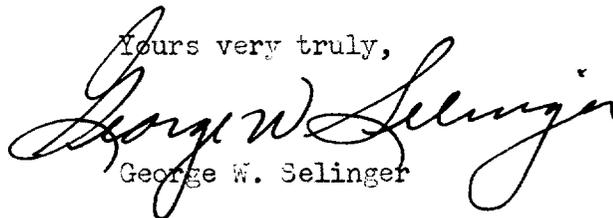
We are in receipt of a copy of H. K. Riddle's letter dated October 28, 1958, addressed to the New Mexico Oil Conservation Commission requesting a hearing before an examiner at the earliest possible date, for two non-standard units. One covering Lots 3, 4, 9, and 10, in lieu of Lots 1, 2, 3, and 4 in the application, in Section 18-26N-13W and the other covering Lots 3, 4, 9, and 10, in lieu of Lots 1, 2, 3, and 4 in the application, in Section 19-26N-13W in the Bisti Field of San Juan County, New Mexico.

This is acreage in excess of the normal 640 acre governmental subdivision. It is our understanding that the strip in Section 18 covers 60.84 acres and the strip in Section 19 covers 63.48 acres, and applicant is asking for a well in each of these two strips.

Skelly Oil Company is opposed to the granting of two wells on two units which applicant alleges covers 124.32 acres, for the reason that our information indicates that both of these strips are not entirely productive in the Gallup formation. It is our opinion that only the South half of the strip lying adjacent to Section 18 is productive and only the North half of the strip lying adjacent to Section 19 is productive, or a total of approximately 60 acres. This warrants the drilling of only one well.

Although the applicant requests an examiner hearing, it might be advisable for this matter to be set for hearing before the Commission itself in order to avoid unnecessary delay, but in any event, we would appreciate being advised when this matter is to be set.

Yours very truly,


George W. Selinger

GWS/db

CC: H. K. Riddle, 65 East Fourth South, Salt Lake City, Utah

British American Oil Producing Company, Denver Club Bldg., Denver, Colorado

Atlantic Refining Company, Box 520, Casper, Wyoming