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*Mar. 28th  
1962*

*RM*

**TEXACO**  
**INC.**

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT  
MIDLAND DIVISION

P. O. BOX 3109  
MIDLAND, TEXAS

R. M. BISCHOFF, ASSISTANT DIVISION MANAGER

March 23, 1962

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

Attn: Mr. A. L. Porter, Jr.

Gentlemen:

Reference is made to Case No. 2513 concerning the application of Skelly Oil Company for approval of the West Dollarhide Queen Sand Unit Agreement, Lea County, New Mexico. Texaco Inc. will be a working interest owner in the proposed unit and wishes to go on record in concurrence with Skelly Oil Company's application. Texaco respectfully urges that the Commission approve Skelly's application as submitted.

Yours very truly,

CRB-MM



60002513

MAIN OFFICE OCC

# SKELLY OIL COMPANY

P. O. Box 1650

1962 FEB 14 AM 6:22

**TULSA 2, OKLAHOMA**

PRODUCTION DEPARTMENT

- C. L. BLACKSHER, VICE PRESIDENT
- W. P. WHITMORE, MGR. PRODUCTION
- W. D. CARSON, MGR. TECHNICAL SERVICES
- ROBERT G. HILTZ, MGR. JOINT OPERATIONS
- GEORGE W. SELINGER, MGR. CONSERVATION

February 12, 1962

Re: Secondary Recovery  
 Gallegos-Gallup Pool  
 San Juan County, New Mexico

Mr. A. L. Porter, Jr., Secretary-Director  
 Oil Conservation Commission  
 P. O. Box 871  
 Santa Fe, New Mexico

Dear Mr. Porter:

We are enclosing, in triplicate, application for authority to conduct secondary recovery operations in the Gallegos-Gallup Pool, San Juan County, New Mexico.

Will you please have this application set for an Examiner Hearing in March, and we would like to have it heard at the same time as our application for approval of the Gallegos-Gallup Sand Unit Agreement.

We are enclosing, for your information, a list of names and addresses of the operators of wells, and lessees within the unit area. This list, also, contains the names and addresses of operators of wells, and lessees within a 2-mile radius of the proposed pilot area injection wells.

We are, also, enclosing a letter from Mr. L. C. White of Gilbert, White and Gilbert, Santa Fe, New Mexico, stating that they are resident counsel in this application.

Very truly yours,

RJJ:br  
Attach.

cc: Mr. L. C. White  
 Gilbert, White and Gilbert  
 Bishop Building  
 Santa Fe, New Mexico

*[Handwritten notes and scribbles in the bottom left corner]*

GILBERT, WHITE AND GILBERT

ATTORNEYS AND COUNSELORS AT LAW

BISHOP BUILDING

SANTA FE, NEW MEXICO

February 7, 1962

CARL H. GILBERT  
L. C. WHITE  
WILLIAM W. GILBERT  
SUMNER S. KOCH  
WILLIAM B. KELLY

RECEIVED FEB 14 1962

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

Attention: Mr. A. L. Porter, Jr.

Re: Gallegos-Gallup Unit and  
Secondary Recovery Project,  
San Juan County, New Mexico

Gentlemen:

The undersigned herewith enters his appearance as resident counsel for Skelly Oil Company in its application for approval of the Gallegos-Gallup Unit and Secondary Recovery Project, San Juan County, New Mexico, as more fully appears from their application filed herewith.

Very truly yours,



L. C. WHITE  
P. O. Box 787  
Santa Fe, New Mexico

LCW/ab

226-7513

WORKING INTEREST OWNERS

MAIN OFFICE OCC

GALLEGOS-GALLUP SAND UNIT

1962 FEB 14 AM 3:22

Edward Arcaro  
3825 Willat Avenue  
Culver City, California

J. Felix Hickman  
4401 Constitution NE  
Albuquerque, New Mexico

Benson-Montin-Greer Drilling Company  
2808 First National Building  
Oklahoma City 2, Oklahoma

Hidden Splendor Mining Company  
2000 National Bank of Tulsa Building  
Tulsa 3, Oklahoma

Compass Exploration, Inc.  
101 University Blvd.  
Denver 2, Colorado

William H. Hudson  
1126 Mercantile Securities Building  
Dallas, Texas

John C. Daum  
1913 Fifteenth Street  
Lubbock, Texas

O. J. Lilly  
P. O. Box 185  
Farmington, New Mexico

Delhi Taylor Oil Corporation  
Union Fidelity Tower Building  
Dallas, Texas

Lion Oil Company  
1310 Denver Club Building  
Denver 2, Colorado

Walter Duncan  
Box 137  
Durango, Colorado

W. L. Lynch  
2010 Fidelity Union Building  
Dallas, Texas

Elmer E. Elliott  
433 South Lincoln Street  
Santa Maria, California

J. C. Man, Jr.  
1010 City National Bank Building  
Wichita Falls, Texas

El Paso Natural Gas Products Company  
P. O. Box 1161  
El Paso, Texas

E. W. Mudge, Jr.  
Republic National Bank Building  
Dallas, Texas

Mr. Olen F. Featherstone  
Roswell Petroleum Building  
Roswell, New Mexico

The Oklahoma Oil Company  
4457 Gunnison Street  
Chicago, Illinois

Frontier Refining Company  
4040 East Louisiana Avenue  
Denver 22, Colorado

Pan American Petroleum Corporation  
P. O. Box 1410  
Ft. Worth, Texas

Gulf Oil Corporation  
P. O. Box 2097  
Denver 1, Colorado

Petro-Atlas, Inc.  
2000 National Bank of Tulsa Building  
Tulsa 3, Oklahoma

Ernest A. Hanson  
P. O. Box 852  
Roswell, New Mexico

James R. Pickett

Working Interest Owners  
Gallegos-Gallup Sand Unit  
Page 2

Shiprock Industries, Inc.  
2000 National Bank of Tulsa Building  
Tulsa 3, Oklahoma

Skelly Oil Company  
P. O. Box 1650  
Tulsa 2, Oklahoma

Southwest Production Company  
3108 Southland Center  
Dallas 1, Texas

Mr. John F. Sullivan  
3825 Willat Avenue  
Culver City, California

Sunray Mid-Continent Oil Company  
P. O. Box 2039  
Tulsa 2, Oklahoma

Tenneco Oil Company  
P. O. Box 1031  
Midland, Texas

Texas National Petroleum Company  
902 South Coast Life Building  
Houston 2, Texas

Vinson Truck  
Robert E. Vinson, Trustee  
Box 2289  
Wichita Falls, Texas

Western Development Company of Delaware  
825 Petroleum Club Building  
Denver 2, Colorado

Horace E. White  
430 First National Bank Building  
Abilene, Texas



# SKELLY OIL COMPANY

P. O. Box 1650  
TULSA 2, OKLAHOMA

PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT  
W. P. WHITMORE, MGR. PRODUCTION  
W. D. CAPSON, MGR. TECHNICAL SERVICES  
ROBERT G. HILTZ, MGR. JOINT OPERATIONS  
GEORGE W. SELINGER, MGR. CONSERVATION

March 1, 1963

Re: Gallegos Gallup Oil Pool

Mr. A. L. Porter, Jr.  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

As you will recall in Case Nos. 2512 and 2513 the Oil Conservation Commission issued its Order Nos. R-2207 and R-2220 respectively, in regards to our waterflood project in the Gallegos Gallup Oil Pool which project is governed by provisions of Rule 701 of the Commission's rules and regulations including those provisions regarding allocation of allowables.

Under this proposal the daily per well allowable would be 70 barrels of oil per day. For the past several years the top allowable for the Gallegos Gallup has been 94 barrels of oil per day, and consequently in effect we are being penalized for initiating a waterflood project.

We, therefore, respectfully request an exception to Sub-paragraph 4 of Paragraph E of Rule 701, so as to permit the assignment of the top allowable for the Gallegos Gallup, which is 94 barrels of oil per day for the wells in the waterflood project.

Yours very truly,

GWS:br

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

March 6, 1963

Mr. George W. Selinger  
Skelly Oil Company  
Post Office Box 1650  
Tulsa 2, Oklahoma

Dear Mr. Selinger:

Reference is made to your letter of March 1, 1963, regarding your Gallegos-Gallup Waterflood Project and the allowable assignable thereto.

A review of our file relating to this flood indicates that we probably failed to notify you as to the maximum allowable this pilot project will be eligible to receive under Rule 701-E.

According to our calculations, when all six of the authorized injection wells were placed on active injection, the maximum allowable which the wells in the project area (which comprises the SW/4 Section 1, S/2 Section 2, E/2 SE/4 Section 3, E/2 NE/4 and NE/4 SE/4 Section 10, N/2 and N/2 S/2 Section 11, and NW/4 and N/2 SW/4 Section 12) became eligible to receive under the provisions of Rule 701-E-3 is 1050 barrels per day. At the present time the total allowable actually assigned to the wells in the project area totals some 24 barrels per day.

As to the Northwest New Mexico Area Allowable Factor being less than the current top allowable, you will recall that the factor of 52 was adopted in November, 1959, and was based on an average of all previous monthly allowables. It is contemplated that we

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

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Mr. George W. Selinger  
Skelly Oil Company  
Post Office Box 1650  
Tulsa 2, Oklahoma

will ask the Commission to consider revising the allowable factor  
in the future.

Very truly yours,

DANIEL S. NUTTER  
Chief Engineer

DSN/ir

cc: Case File 2513

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