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1 BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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3 IN THE MATTER OF THE APPLICATION OF  
4 SKELLY OIL COMPANY FOR THE CREATION  
5 OF A NEW POOL FOR STRAWN GAS PRODUCTION  
6 AND FOR ESTABLISHMENT OF 640-ACRE  
7 SPACING UNITS IN THE STRAWN FORMATION  
8 AND TEMPORARY SPECIAL POOL RULES  
9 INCLUDING UNIFORM PRORATION UNITS FOR  
10 THE FURTHER DEVELOPMENT OF THE STRAWN  
11 FORMATION UNDERLYING SECTIONS 16-21 AND  
12 SECTIONS 28-30, BOTH INCLUSIVE, TOWNSHIP  
13 25 SOUTH, RANGE 36 EAST, LEA COUNTY,  
14 NEW MEXICO.

Case No. 768

10 A P P L I C A T I O N

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12 TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO:

13 Comes now SKELLY OIL COMPANY and respectfully alleges as follows:

14 1. It is the owner and operator of oil and gas leases within the following  
15 described area located in Lea County, New Mexico, viz:

16 Sections 16-21 and Sections 28-30, both inclusive,  
17 Township 25 South, Range 36 East.

18 2. It has drilled and completed its discovery well, West Jal Unit Well  
19 No. 1, at a location of 1980 feet from the North line and 660 feet from the  
20 East line, Section 20, Township 25 South, Range 36 East, as a gas well from  
21 the Strawn formation with an open flow potential of 310 million cubic feet of  
22 gas per day. The Strawn formation in this well has a top of 11,510 feet and  
23 a base of 12,155 feet. The perforated Strawn interval is between 11,736 feet  
24 and 11,894 feet.

25 3. Applicant believes that the Strawn formation underlies all of the  
26 area described in Paragraph 1 above and constitutes a new and previously  
27 unencountered common source of supply.

28 4. In the interest of preventing waste of gas and gas condensate, the  
29 elimination of unnecessary wells, the recovery of the greatest ultimate amount  
of gas and gas condensate and the protection of correlative rights, the

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1 vertical and horizontal limits of the pool should be defined and designated,  
2 and temporary special pool rules established, including a provision for  
3 uniform 640-acre proration units.

4 5. Applicant suggests that a uniform proration unit may be achieved by  
5 designating 640-acre governmental section spacing units for gas and associated  
6 hydrocarbons for this formation with the permitted well location for subsequent  
7 wells to be 1320 feet from unit lines and that the subject discovery well be  
8 declared an exception to said pool rules.

9 6. Attached hereto is a list of the names of all principal lessees or  
10 operators known to applicant who may be interested in this application.

11 7. This application may be set for hearing by an examiner of the New  
12 Mexico Oil and Gas Conservation Commission.

13 WHEREFORE, Applicant prays that this application be set for hearing;  
14 that notice thereof be given according to law and that upon the hearing of  
15 this application an order be entered as herein requested and for such other  
16 relief as the Commission may deem proper.

17 DATED at Santa Fe, New Mexico, this 29 day of January, 1963.

18  
19 SKELLY OIL COMPANY

20 By GILBERT, WHITE AND GILBERT

21  
22 By [Signature]  
23 Bishop Building  
24 Santa Fe, New Mexico

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LIST OF ALL PRINCIPAL LESSEES OR OPERATORS

- Atlantic Refining Company
- George Coates
- General Crude Oil Company
- Gulf Oil Corporation
- Mobil Oil Company
- J. Moore
- Pan American Petroleum Corporation
- Phillips Petroleum Company
- Shell Oil Company
- Sinclair Oil & Gas Company
- Skelly Oil Company
- Southern Petroleum Exploration, Inc.
- Southland Royalty Company
- Sunray DX Oil Company
- J. R. Trigg