

CASE 2848: Application of SKELLY
for approval of its EAST BISTI
UNIT AGREEMENT - SAN JUAN COUNTY.

Case No.

28248

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)
SKELLY OIL COMPANY FOR APPROVAL OF)
A UNIT AGREEMENT FOR THE EAST BISTI)
UNIT, SAN JUAN COUNTY, NEW MEXICO.)

CASE NO. 2848

FILED _____

HEARING July 10, 1963

A P P L I C A T I O N

Comes now Skelly Oil Company on behalf of itself and others and respectfully states as follows:

1. That it is an owner and operator of wells in the East Bisti Unit Area, San Juan County, New Mexico.

2. That in order to conduct secondary recovery operations and to increase the amount of ultimate recovery and thereby aid in the conservation of oil and gas, and in order to protect the correlative rights of all parties in the unit area, it is necessary and advisable that the East Bisti Unit be established and approved.

3. That the area to be included in this unit is described as follows:

Township 25 North, Range 11 West

SW/4 SE/4, S/2 SW/4, and NW/4 SW/4 Sec. 14, S/2 Sec. 15, S/2, NW/4, S/2 NE/4, and NW/4 NE/4 Sec. 16, Secs. 21, 22, 23, S/2, NW/4, S/2 NE/4, and NW/4 NE/4 Sec. 24, Secs. 25, 26, N/2, SE/4, and E/2 SW/4 Sec. 27, NE/4 NE/4 Sec. 28, NE/4 NE/4 Sec. 34, N/2 NW/4, and NE/4 Sec. 35, and N/2 and N/2 SE/4 Sec. 36,

Township 25 North, Range 10 West

SW/4, W/2 SE/4, and SE/4 SE/4 Sec. 19, S/2 SW/4, NW/4 SW/4, and SW/4 NW/4 Sec. 27, S/2 and S/2 NE/4 Sec. 28, S/2, NW/4, and S/2 NE/4 Sec. 29, Secs. 30, 31, 32, 33, S/2, NW/4, S/2 NE/4, and NW/4 NE/4 Sec. 34, S/2, and SW/4 NW/4 Sec. 35, and SW/4 SW/4 Sec. 36,

Township 24 North, Range 10 West

S/2, NW/4, and W/2 NE/4 Sec. 1, Secs. 2, 3, E/2 and NW/4 Sec. 4, NE/4 and NE/4 NW/4 Sec. 5, NE/4 Sec. 9, N/2 Sec. 10, N/2 and NE/4 SE/4 Sec. 11, Sec. 12, and NE/4 and NE/4 NW/4 Sec. 13,

Township 24 North, Range 9 West

S/2 SW/4 Sec. 5, S/2 Sec. 6, Sec. 7, W/2, SE/4, S/2 NE/4, and NW/4 NE/4 Sec. 8, E/2, NW/4, and NE/4 SW/4 Sec. 17, and N/2 Sec. 18,

and contains 17,811.79 acres, more or less.

4. That the formation sought to be unitized is the Bisti-Gallup Sand, and that sand shall be construed to mean the sand and reservoir encountered in drilling by Standard Oil Company of Texas in its Federal 9 lease No. 12-1 well between the depths 5,260 feet and 5,845 feet as shown by the Schlumberger Electric Log of said well, which well is located in the SE/4 of the NE/4 of Section 12, Township 24 North, Range 10 West, San Juan County, New Mexico.

5. That attached hereto and made a part hereof by reference is a copy of the Unit Agreement for the development and operation of the East Bisti Unit Area, along with corrected Exhibits B and C, and that contained in said Agreement as Exhibit A is a map showing the unit and participating area for this unit.

WHEREFORE, PREMISES CONSIDERED, applicant prays that this Commission, after the giving of notice as required by law, set this application down for hearing, and that at the conclusion of said hearing, based on the evidence produced, that it approve the Unit Agreement for the East Kisti Unit, and for other rules and regulations as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY

By (Signed) GEORGE W. SELINGER
George W. Selinger

Original signed by:
R. J. JACOBS

By Ronald J. Jacobs
Its Attorneys

Of Counsel
L. C. White
Gilbert, White and Gilbert
Santa Fe, New Mexico

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)
SKELLY OIL COMPANY FOR APPROVAL OF)
A UNIT AGREEMENT FOR THE EAST BISTI)
UNIT, SAN JUAN COUNTY, NEW MEXICO.)

CASE NO. 2848

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HEARING July 10th, 1963

APPLICATION

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2. That in order to conduct secondary recovery operations and to increase the amount of ultimate recovery and thereby aid in the conservation of oil and gas, and in order to protect the correlative rights of all parties in the unit area, it is necessary and advisable that the East Bisti Unit be established and approved.

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Township 25 North, Range 10 West

SW/4, W/2 SE/4, and SE/4 SE/4 Sec. 19, S/2 SW/4, NW/4 SW/4, and SW/4 NW/4 Sec. 27, S/2 and S/2 NE/4 Sec. 28, S/2, NW/4, and S/2 NE/4 Sec. 29, Secs. 30, 31, 32, 33, S/2, NW/4, S/2 NE/4, and NW/4 NE/4 Sec. 34, S/2, and SW/4 NW/4 Sec. 35, and SW/4 SW/4 Sec. 36,

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Township 24 North, Range 9 West

S/2 SW/4 Sec. 5, S/2 Sec. 6, Sec. 7, W/2, SE/4, S/2 NE/4, and NW/4 NE/4 Sec. 8, E/2, NW/4, and NE/4 SW/4 Sec. 17, and N/2 Sec. 18,

and contains 17,811.79 acres, more or less.

4. That the formation sought to be unitized is the Bisti-Gallup Sand, and that sand shall be construed to mean the sand and reservoir encountered in drilling by Standard Oil Company of Texas in its Federal 9 lease No. 12-1 well between the depths 5,260 feet and 5,845 feet as shown by the Schlumberger Electric Log of said well, which well is located in the SE/4 of the NE/4 of Section 12, Township 24 North, Range 10 West, San Juan County, New Mexico.

5. That attached hereto and made a part hereof by reference is a copy of the Unit Agreement for the development and operation of the East Bisti Unit Area, along with corrected Exhibits B and C, and that contained in said Agreement as Exhibit A is a map showing the unit and participating area for this unit.

~~WHEREFORE~~. PREMISES CONSIDERED, applicant prays that this Commission, after the giving of notice as required by law, set this application down for hearing, and that at the conclusion of said hearing, based on the evidence produced, that it approve the Unit Agreement for the East Bisti Unit, and for other rules and regulations as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY

By (Signed) GEORGE W. SELINGER
George W. Selinger

Original signed by:
R. J. JACOBS
By Ronald J. Jacobs
Its Attorneys

Of Counsel
L. C. White
Gilbert, White and Gilbert
Santa Fe, New Mexico

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)
SKELLY OIL COMPANY FOR APPROVAL OF)
A UNIT AGREEMENT FOR THE EAST BISTI)
UNIT, SAN JUAN COUNTY, NEW MEXICO.)

CASE NO. 58-8

FILED _____

HEARING July 10, 1963

APPLICATION

Comes now Skelly Oil Company on behalf of itself and others and respectfully states as follows:

1. That it is an owner and operator of wells in the East Bisti Unit Area, San Juan County, New Mexico.

2. That in order to conduct secondary recovery operations and to increase the amount of ultimate recovery and thereby aid in the conservation of oil and gas, and in order to protect the correlative rights of all parties in the unit area, it is necessary and advisable that the East Bisti Unit be established and approved.

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S/2, NW/4, and W/2 NE/4 Sec. 1, Secs. 2, 3, E/2 and NW/4 Sec. 4, NE/4 and NE/4 NW/4 Sec. 5, NE/4 Sec. 9, N/2 Sec. 10, N/2 and NE/4 SE/4 Sec. 11, Sec. 12, and NE/4 and NE/4 NW/4 Sec. 13,

Township 24 North, Range 9 West

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5. That attached hereto and made a part hereof by reference is a copy of the Unit Agreement for the development and operation of the East Bisti Unit Area, along with corrected Exhibits B and C, and that contained in said Agreement as Exhibit A is a map showing the unit and participating area for this unit.

WHEREFORE, PREMISES CONSIDERED, applicant prays that this Commission, after the giving of notice as required by law, set this application down for hearing, and that at the conclusion of said hearing, based on the evidence produced, that it approve the Unit Agreement for the East Bisti Unit, and for other rules and regulations as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY

By (Signed) GEORGE W. SELINGER
George W. Selinger

Original signed by:
By R. J. JACOBS
Ronald J. Jacobs
Its Attorneys

Of Counsel
L. C. White
Gilbert, White and Gilbert
Santa Fe, New Mexico

2148
August 26, 1963

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

Re: East Bisti Unit, San Juan
County, New Mexico

Attention: Mr. Robert G. Hiltz

Gentlemen:

The Commissioner of Public Lands has approved as of August 26, 1963 the East Bisti Unit Agreement subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We have failed to receive a copy of the United States Geological Survey letter of November 21, 1962 designating this as a Unit Area.

We are enclosing three originally signed copies of our Certificate of Approval. Also enclosed is Official Receipt No. F-91484 in the amount of Two Hundred Ninety Five (\$295.00) Dollars which covers the filing fee.

Please furnish us copies of form C-110 when they are filed on the wells in this Unit Area.

Very truly yours,

E. S. JOHNNY WALKER,
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESJA/mar/m

cc: United States Geological Survey, Roswell
Oil Conservation Commission, Santa Fe

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO

2848

April 27, 1967

C

O

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Attention: Mr. H. E. Aab

P

Re: 1967 Plan of Development
East Bisti Unit, San Juan
County, New Mexico

Gentlemen:

Y

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1967 Plan of Development dated November 11, 1966, for the East Bisti Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/esr
Enclosures

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

April 25, 1967

Stelly Oil Company
P. O. Box 738
Hobbs, New Mexico

Attention: Mr. H. E. Aab

Gentlemen:

Your 1967 plan of development and operation dated November 11, 1966, for the East Bisti unit area, San Juan County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Sincerely yours,

(Orig. Sgd.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:

Washington (w/cy of plan)
Farmington (w/cy of plan)
NMCC, Santa Fe (ltr. only) ✓
Com. of Pub. Lands, Santa Fe (ltr. only)

February 9, 1967

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico

Re: East Bisti Unit
San Juan County,
New Mexico

ATTENTION: Mr. H. E. Aab

Gentlemen:

The Commissioner of Public Lands has this date approved your 1967 Plan of Development, which calls for no additional wells to be converted to injection wells, nor will there be any drilling of recovery wells during 1967, this approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the Plan is enclosed.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:

Ted Bilberry, Director
Oil and Gas Department

GBH/MSR/s

encl. 1.

cc: United States Geological Survey
Roswell, New Mexico

New Mexico Oil Conservation Commission
Santa Fe, New Mexico



17 418 10

SKELLY OIL COMPANY

P.O. Box 730, Hobbs, New Mexico

November 11, 1966

Re: East Bisti Unit
San Juan County, New Mexico

Director (6)
United States Geological Survey
P.O. Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit agreement for the Development and Operation of the East Bisti Unit, San Juan County, New Mexico, Skelly Oil Company respectfully submits for your approval a plan of development and operation of the subject Unit for 1967.

PAST OPERATION

The East Bisti Unit became effective October 1, 1963 with Skelly Oil Company as Unit Operator. Injection facilities were constructed and injection of water into 24 injection wells commenced during February, 1965.

Cumulative water injection to November 1, 1966 was 9,816,623 barrels of water. The daily average injection rate during October 1966 was 13,562 barrels.

Cumulative oil production from the Unit area was 6,124,018 barrels on October 1, 1966. The average daily producing rate during September 1966 was 567 barrels of oil.

Work was completed during November 1966 on cathodic protection for well casings of unit wells, water injection lines, and the oil gathering system. LACT and well test facilities were installed during 1966.

DEVELOPMENT PLANS FOR 1967

Plans are for the continued injection of water into the present injection wells. It is not anticipated that any additional wells will be converted to injection or

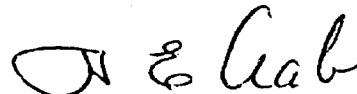
OPERATION & DEVELOPMENT
East Bisti Unit- 11-11-66

Page No. 2

2

any wells will be drilled for recovery wells during 1967. A study will be made to determine the feasibility of a supplemental water source in order that the injection rate can be increased.


Yours very truly,
SKELLY OIL COMPANY



H. E. Aab, Chairman
Working Interest Owners Committee

FR/hs/bh

Approved.....April 27.....1967


Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION



SKELLY OIL COMPANY

P.O. Box 730, Hobbs, New Mexico
December 16, 1965

Re: East Bisti Unit
San Juan County, New Mexico

Director (6)
United States Geological Survey
P.O. Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission (3)✓
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit agreement for the Development and Operation of the East Bisti Unit, San Juan County, New Mexico, Skelly Oil Company respectfully submits for your approval a plan of development and operation of the subject Unit.

PAST OPERATION

The East Bisti Unit became effective October 1, 1963 with Skelly Oil Company as Unit Operator. Injection facilities were constructed and injection of water into 24 injection wells commenced during February, 1965.

Cumulative water injection to November 1, 1965 was 4,193,152 barrels of water. The daily average injection rate during October, 1965 was 17,667 barrels.

Cumulative oil production from the Unit area was 5,946,789 barrels on November 1, 1965. The average daily producing rate during October, 1965 was 525 barrels of oil.

DEVELOPMENT PLANS FOR 1966

Work has been started on cathodically protecting the casing of unit wells from corrosion. This project should be completed during 1966. The Working Interest Owners are presently being balloted for approval of a plan to install LACT and well test facilities to serve the producing wells. This project should also be completed during 1966.

Plans are for the continued injection of water into the present injection wells. It is not anticipated that any additional wells will be converted to injection or any wells will be drilled during 1966.

Yours very truly,
SKELLY OIL COMPANY

H. E. Aab
H. E. Aab, Chairman

Working Interest Owners Committee

WS/bh



SKELLY OIL COMPANY

P.O. Box 730, Hobbs, New Mexico
December 16, 1965

Re: East Bisti Unit
San Juan County, New Mexico

Director (6)
United States Geological Survey
P.O. Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit agreement for the Development and Operation of the East Bisti Unit, San Juan County, New Mexico, Skelly Oil Company respectfully submits for your approval a plan of development and operation of the subject Unit.

PAST OPERATION

The East Bisti Unit became effective October 1, 1963 with Skelly Oil Company as Unit Operator. Injection facilities were constructed and injection of water into 24 injection wells commenced during February, 1965.

Cumulative water injection to November 1, 1965 was 4,193,152 barrels of water. The daily average injection rate during October, 1965 was 17,667 barrels.

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Plans are for the continued injection of water into the present injection wells. It is not anticipated that any additional wells will be converted to injection or any wells will be drilled during 1966.

Yours very truly,
SKELLY OIL COMPANY


H. E. Aab, Chairman

Working Interest Owners Committee

WS/bh

MAIL ROOM 100

'65 JUL 20 PM 2

July 12, 1965

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico

Attention: Mr. H. E. Aab

Re: East Bisti Unit
San Juan County, New Mexico
1965 Plan of Development

Gentlemen:

The Commissioner of Public Lands approves as of July 12, 1965, your 1965 Plan of Development for the East Bisti Unit, San Juan County, New Mexico. This instrument was approved by the United States Geological Survey on June 10, 1965.

We are returning one approved copy of the Plan of Development.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

By:
(Mr.) Ted Bilberry, Director
Oil and Gas Department

GBH/BAH/d
Enclosures
cc:

United States Geological Survey
P. O. Drawer 1057
Roswell, New Mexico
Attention: Mr. John A. Anderson

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Drawer 1857
Roswell, New Mexico 88201

June 10, 1965

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico

Attention: Mr. E. E. Aab

Gentlemen:

Your 1965 plan of development and operation dated November 13, 1964, for the East Bisti unit, San Juan County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials.

One approved copy of the plan is enclosed.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (w/cy plan)
Farmington (w/cy plan)
BROCC-Santa Fe (ltr only) ✓
Com. of Pub. Lands-Santa Fe (ltr only)

Drawer 1837
Boswell, New Mexico 88201

January 28, 1964

Shelly Oil Company
P. O. Drawer 730
Hobbs, New Mexico

Attention: Mr. H. E. Ash

Gentlemen:

Your initial plan of development and operation dated January 6, 1964, for the East Misti unit area, San Juan County, New Mexico, proposing a first stage modified line drive injection pattern as identified on the plat attached to the plan has been approved on this date subject to like approval by the appropriate State officials.

One approved copy of the plan is enclosed.

Sincerely yours,

(ENCL. 501) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil & Gas Supervisor

cc:
Washington (w/cy of plan)
Farmington (w/cy of plan)
HMOCC - Santa Fe (ltr. only) ✓
Com. of Public Lands - Santa Fe (ltr. only)



SKELLY OIL COMPANY

P. O. DRAWER 730
HOBBS, NEW MEXICO

January 6, 1964

Re: East Bisti Unit
San Juan County, New Mexico

Oil Conservation Commission
The State of New Mexico
Capital Annex Building
Santa Fe, New Mexico

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the Development and Operation of the East Bisti Unit, San Juan County, New Mexico, Skelly Oil Company respectfully submits for your approval a preliminary plan of development and operation of the subject Unit. As the Unit did not become effective until October 1, 1963, plans have not been fully developed particularly as to those areas adjacent to unqualified tracts within the Unit area.

Water Source

Water source for this project will be the Allison-Menefee formation found at a depth of approximately 3200 feet. Four wells with a capacity of 6000 barrels per day each will be drilled to furnish an injection capacity of 24,000 barrels per day. Other water sources in the area were considered and found to be uneconomical when compared to the Allison-Menefee.

Injection Facilities

Injection facilities are being designed to inject up to 24,000 barrels per day at a pressure of 1200 psi.

RECEIVED
JAN 14 1964

STATE OF NEW MEXICO

Oil Conservation Commission
The State of New Mexico

-2-

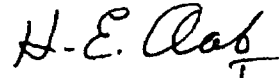
January 6, 1964

All injection lines and injection well tubing will be internally coated to protect them from corrosion. Construction of injection facilities is scheduled to commence as soon as the severe winter weather is past. Twenty-two wells will be converted to injection in a modified line drive pattern as the first stage of development. It is anticipated that additional wells will be converted if satisfactory line well agreements can be negotiated with outside operators. Six wells in the easternmost part of the Unit area will not be converted to injection until performance data from the first stage can be evaluated.

Injection into Unit Well Nos. 1 and 7, which offset Shell's Carson Unit, began in December, 1962, and as of December 28, 1963, 203,532 barrels of water have been injected into both wells. Injection into these wells is continuing.

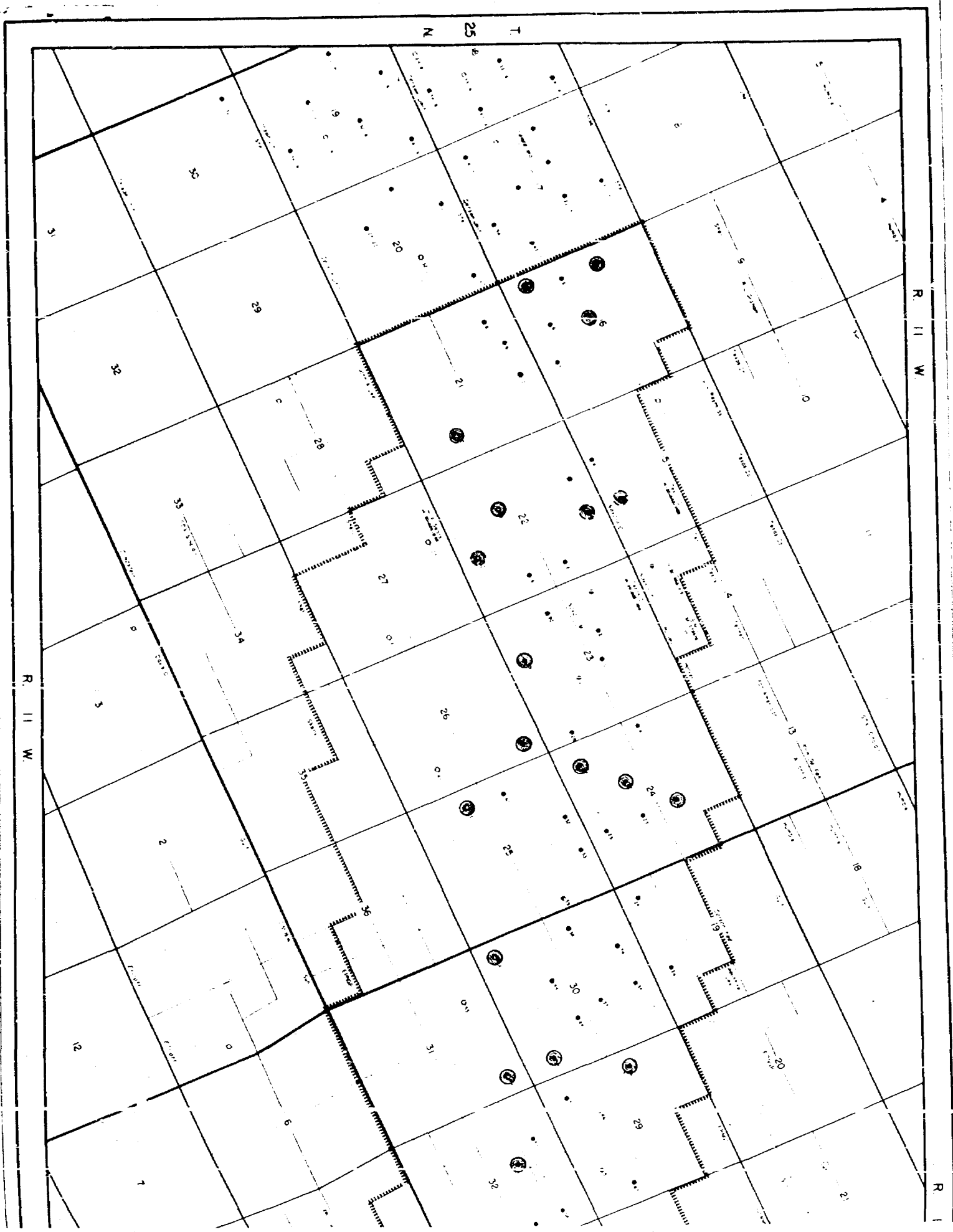
The attached map shows the arrangement of the proposed injection pattern.

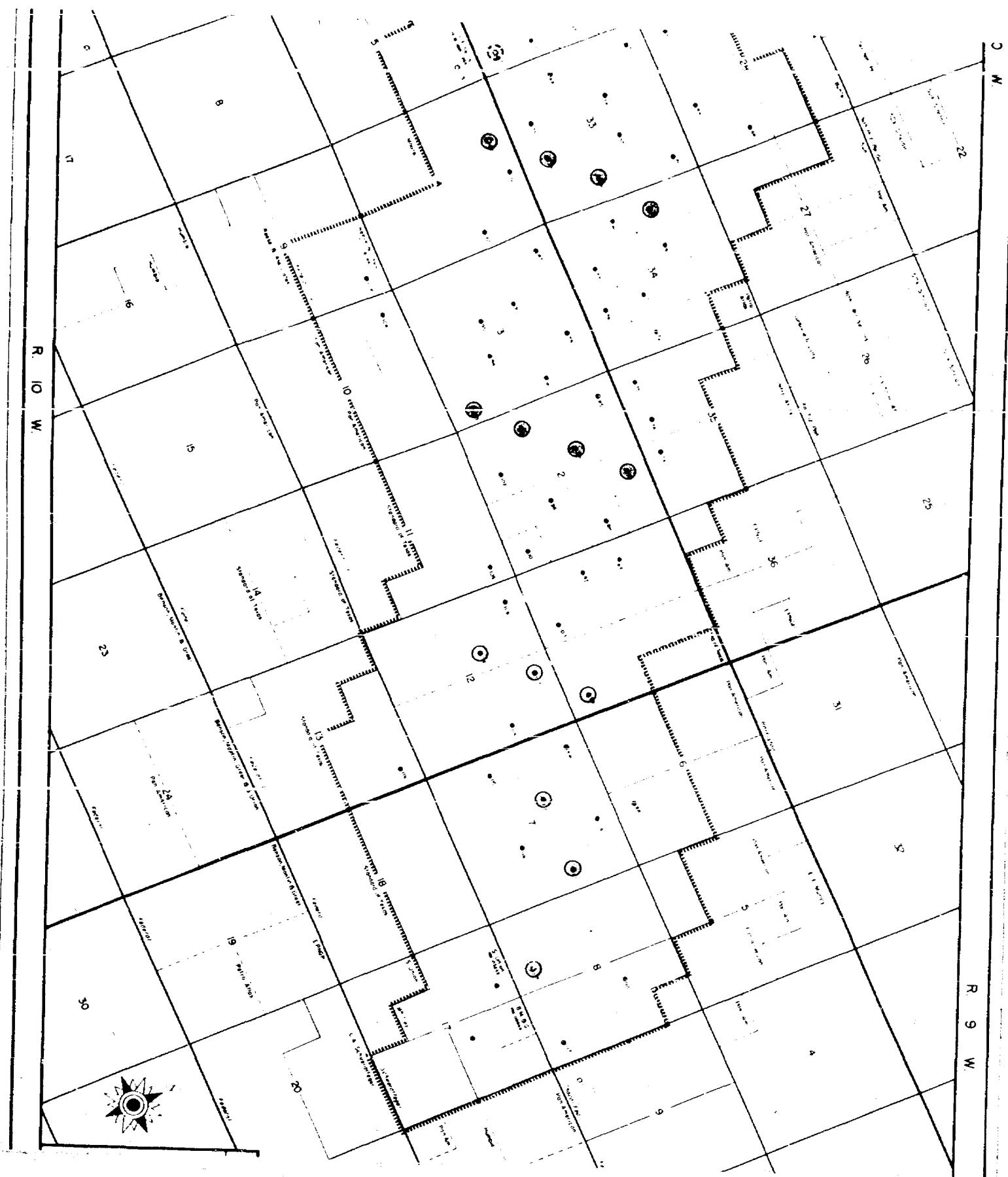
Yours very truly,

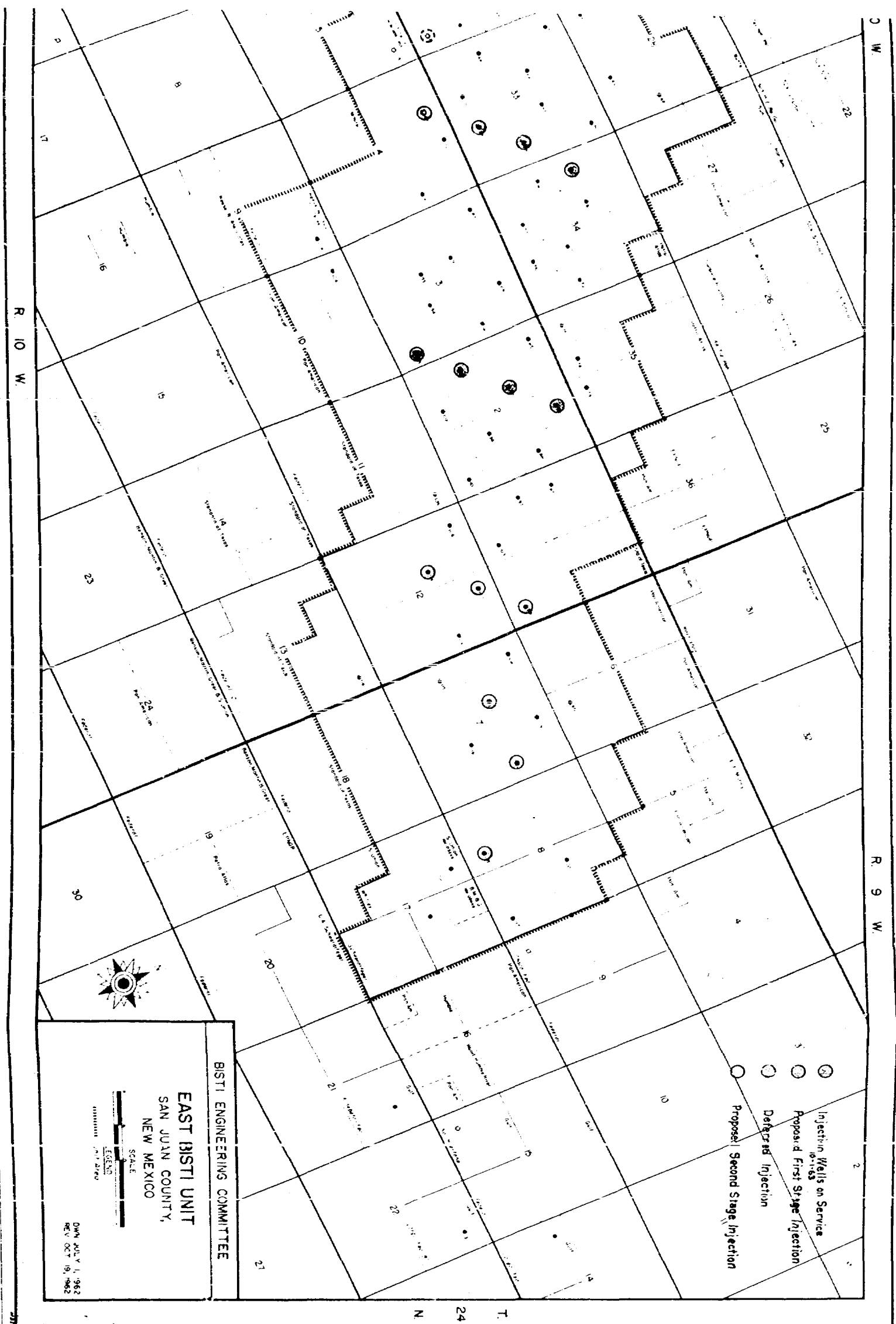


H. E. Aab
District Superintendent

WPW:ot
cc-Mr. W. P. Whitmore







GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



P. O. BOX 871
SANTA FE

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

July 17, 1963

Mr. Charlie White
Gilbert, White & Gilbert
Attorneys at Law
Box 787
Santa Fe, New Mexico

Re: Case No. 2848
Order No. R-2521
Applicant:
Skelly Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

iz/

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC

Astec OCC X

 Mr. George Selinger

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:**

CASE No. 2848
Order No. R-2521

**APPLICATION OF SKELLY OIL COMPANY
FOR APPROVAL OF THE EAST BISTI UNIT
AGREEMENT, SAN JUAN COUNTY, NEW
MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 10, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of July, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Skelly Oil Company, seeks approval of the East Bisti Unit Agreement covering 17,812 acres, more or less, of Federal, State and Indian lands in Townships 24 and 25 North, Ranges 9, 10, and 11 West, NMPM, San Juan County, New Mexico.

(3) That approval of the proposed East Bisti Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the East Bisti Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Denver 1937

2848
Lawell, New Mexico 88301

IN REPLY REFER TO:

1934 JAN 10 PM 1 32

January 8, 1961

Shelly Oil Company
Tulsa
Oklahoma

Attention: Mr. Robert G. Bitts

Continued:

Your letter of December 12 transmits six copies each of revised exhibits A, B, and C-2, East Ditch unit agreement, San Juan County, New Mexico, No. 14-68-001-8981, one original and five copies of a certificate identifying the effective date of the revised exhibits, and six copies of a list of the unaccounted assets. The exhibits are returned to show working interest ownership corrections and participation factors for each tract qualified pursuant to Section 13 of the unit agreement, as of October 1, 1961, the effective date of the unit agreement.

~~One of the above described exhibits and collateral papers are being distributed to the appropriate National offices.~~

Sincerely yours,

JOHN C. TRAVERSE

JOHN C. TRAVERSE
Acting DGI and Gas Supervisor

cc:
Washington (w/cy exhibits)
BIM, Santa Fe (w/cy exhibits)
Farmington (w/cy exhibits)
Area Director, Gallup, N. Mex. (2) (w/2 cy. exhibits)
Gen. Mgr. Lusk, Santa Fe (ltr. only)
WAGC, Santa Fe (ltr. only) ✓
~~Assurance~~

Note to Washington: The qualified leases and participation factor listed in Exhibit C-2 have been checked and found to be accurate.

development and operation of the East Bisti Unit Area, and such plan shall be known as the East Bisti Unit Agreement Plan.

(3) That the East Bisti Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the East Bisti Unit, or relative to the production of oil or gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

SAN JUAN COUNTY, NEW MEXICO

TOWNSHIP 24 NORTH, RANGE 9 WEST

Section 5: S/2 SW/4
Section 6: S/2
Section 7: All
Section 8: W/2, SE/4, S/2 NE/4 and
NW/4 NE/4
Section 17: N/2, SE/4, and NE/4 SW/4
Section 18: N/2

TOWNSHIP 24 NORTH, RANGE 10 WEST

Section 1: S/2, NW/4, and W/2 NE/4
Sections 2 and 3: All
Section 4: E/2 and NW/4
Section 5: NE/4 and NE/4 NW/4
Section 9: NE/4
Section 10: N/2
Section 11: N/2 and NE/4 SE/4
Section 12: All
Section 13: NE/4 and NE/4 NW/4

TOWNSHIP 25 NORTH, RANGE 10 WEST

Section 19: SW/4, W/2 SE/4, and SE/4 SE/4
Section 27: S/2 SW/4, NW/4 SW/4, and
SW/4 NW/4
Section 28: S/2 and S/2 NE/4
Section 29: S/2, NW/4, and S/2 NE/4
Sections 30 through 33: All
Section 34: S/2, NW/4, S/2 NE/4, and
NW/4 NE/4
Section 35: S/2 and SW/4 NW/4
Section 36: SW/4 SW/4

-3-

CASE No. 2848

Order No. R-2521

TOWNSHIP 25 NORTH, RANGE 11 WEST

Section 14: SW/4, SE/4, S/2 SW/4,
and NW/4 SW/4

Section 15: S/2

Section 16: S/2, NW/4, S/2 NE/4,
and NW/4 NE/4

Sections 21 through 23: All

Section 24: S/2, NW/4, S/2 NE/4,
and NW/4 NE/4

Sections 25 and 26: All

Section 27: N/2, SE/4, and E/2 SW/4

Section 28: NE/4 NE/4

Section 34: NE/4 NE/4

Section 35: N/2 NW/4 and NE/4

Section 36: N/2 and E/2 SE/4

containing 17,812 acres, more or less.

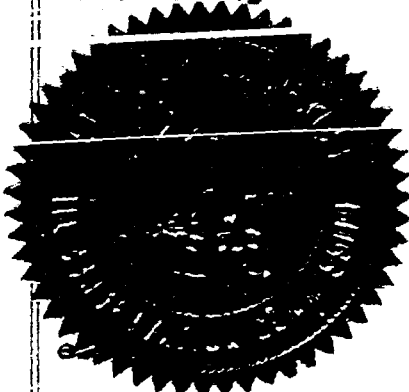
(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the East Bisti Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2848
Order No. R-2521

APPLICATION OF SKELLY OIL COMPANY
FOR APPROVAL OF THE EAST BISTI UNIT
AGREEMENT, SAN JUAN COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 10, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

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FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

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(3) That approval of the proposed East Bisti Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the East Bisti Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the

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CASE No. 2848
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development and operation of the East Bisti Unit Area, and such plan shall be known as the East Bisti Unit Agreement Plan.

(3) That the East Bisti Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the East Bisti Unit, or relative to the production of oil or gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

SAN JUAN COUNTY, NEW MEXICO

TOWNSHIP 24 NORTH, RANGE 9 WEST

Section 5: S/2 SW/4
Section 6: S/2
Section 7: All
Section 8: W/2, SE/4, S/2 NE/4 and
NW/4 NE/4
Section 17: N/2, SE/4, and NE/4 SW/4
Section 18: N/2

TOWNSHIP 24 NORTH, RANGE 10 WEST

Section 1: S/2, NW/4, and W/2 NE/4
Sections 2 and 3: All
Section 4: E/2 and NW/4
Section 5: NE/4 and NE/4 NW/4
Section 9: NE/4
Section 10: N/2
Section 11: N/2 and NE/4 SE/4
Section 12: All
Section 13: NE/4 and NE/4 NW/4

TOWNSHIP 25 NORTH, RANGE 10 WEST

Section 19: SW/4, W/2 SE/4, and SE/4 SE/4
Section 27: S/2 SW/4, NW/4 SW/4, and
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Sections 30 through 33: All
Section 34: S/2, NW/4, S/2 NE/4, and
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TOWNSHIP 25 NORTH, RANGE 11 WEST

Section 14: SW/4 SE/4, S/2 SW/4,
and NW/4 SW/4

Section 15: S/2

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containing 17,812 acres, more or less.

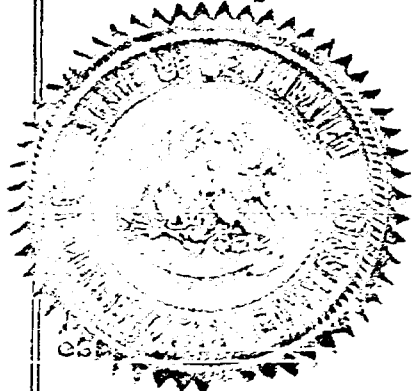
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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OIL CONSERVATION COMMISSION

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JACK M. CAMPBELL, Chairman

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E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2848
Order No. R-2521

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NEW MEXICO PRINCIPAL MERIDIAN

SAN JUAN COUNTY, NEW MEXICO

TOWNSHIP 24 NORTH, RANGE 9 WEST

Section 5: S/2 SW/4
Section 6: S/2
Section 7: All
Section 8: W/2, SE/4, S/2 NE/4 and
NW/4 NE/4
Section 17: N/2, SE/4, and NE/4 SW/4
Section 18: N/2

TOWNSHIP 24 NORTH, RANGE 10 WEST

Section 1: S/2, NW/4, and W/2 NE/4
Sections 2 and 3: All
Section 4: E/2 and NW/4
Section 5: NE/4 and NE/4 NW/4
Section 9: NE/4
Section 10: N/2
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TOWNSHIP 25 NORTH, RANGE 10 WEST

Section 19: SW/4, W/2 SE/4, and SE/4 SE/4
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-3-

CASE No. 2848
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TOWNSHIP 25 NORTH, RANGE 11 WEST

Section 14: SW/4 SE/4, S/2 SW/4,
and NW/4 SW/4

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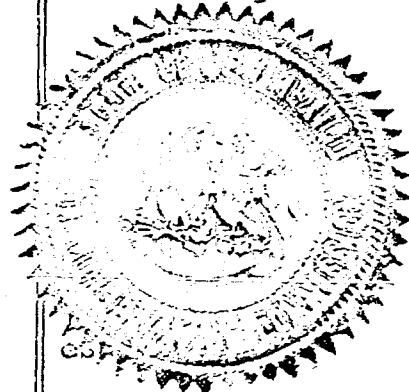
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OIL CONSERVATION COMMISSION

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BEFORE THE OIL CONSERVATION COMMISSION
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IN THE MATTER OF THE HEARING
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SAN JUAN COUNTY, NEW MEXICO

TOWNSHIP 24 NORTH, RANGE 9 WEST

Section 5: S/2 SW/4
Section 6: S/2
Section 7: All
Section 8: W/2, SE/4, S/2 NE/4 and
NW/4 NE/4
Section 17: N/2, SE/4, and NE/4 SW/4
Section 18: N/2

TOWNSHIP 24 NORTH, RANGE 10 WEST

Section 1: S/2, NW/4, and W/2 NE/4
Sections 2 and 3: All
Section 4: E/2 and NW/4
Section 5: NE/4 and NE/4 NW/4
Section 9: NE/4
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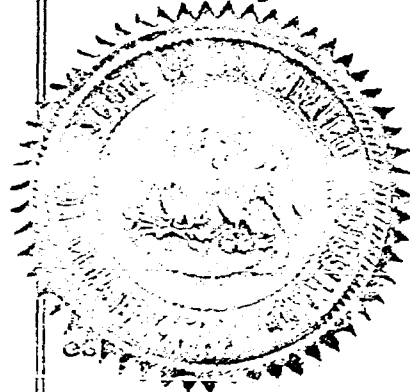
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