

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
July 17, 1957

IN THE MATTER OF:

Case 1281

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 17, 1957

IN THE MATTER OF:

Application of Skelly Oil Company for approval
of an unorthodox oil well location in an undes-
ignated oil pool in Rio Arriba County, New
Mexico, in exception to Rule 104 of the Commission) Case 1281
Rules and Regulations. Applicant, in the above-
styled cause, seeks an order authorizing an un-
orthodox oil well location in an undesignated
oil pool for its Jicarilla "B" Well No. 2
located 1590 feet from the South line and 990
feet from the East line of Section 31, Township
25 North, Range 5 West, Rio Arriba County, New
Mexico. Said well was projected as a gas well
in accordance with the Commission gas well loca-
tion rules but was found to be productive of oil.

BEFORE:

Mr. Murray Morgan
Mr. A. L. Porter
Governor Edwin L. Mechem

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: We will take up next Case 1281.

MR. COOLEY: Case 1281. Application of Skelly Oil Company
for approval of an unorthodox oil well location in an undesignated
oil pool in Rio Arriba County, New Mexico, in exception to Rule
104 of the Commission Rules and Regulations.

MR. SELINGER: George Selinger for Skelly Oil Company.
We have one witness.

(Witness sworn.)

J. R. TEEL

a witness, of lawful age, having been first duly sworn on oath,
testified as follows:

DIRECT EXAMINATION

By MR. SELINGER:

Q State your name.

A J. R. Teel.

Q You are with Skelly Oil Company?

A Yes, sir.

Q In what capacity?

A Petroleum Engineer.

Q Mr. Teel, have you testified before the New Mexico Commission?

A No, I have not.

Q Are you a graduate of an accredited school of engineering?

A Graduate of the University of Oklahoma, 1950, School of
Petroleum Engineering.

Q Have you practiced your profession since?

A Yes, I have.

Q Have you testified before other State regulatory bodies?

A Yes, sir.

Q Are you familiar in a general way with the Skelly Oil
Company operations in and about Township 25 North, Range 5 West,
in Section 31, Rio Arriba County, New Mexico?

A Yes, I am.

Q Are you familiar with the recent completion of the Skelly

Oil Company Jicarilla "B" No. 2 well in Section 31?

A Yes.

Q That well was originally projected and drilled for the production of gas, was it not?

A That is correct.

Q And the well was completed for oil?

A Completed as an oil well.

Q In what formation?

A In the Gallup formation.

(Skelly Oil Company's Exhibit
No. 1 marked for identification.)

Q As indicated by Exhibit No. 1, where is the Jicarilla "B" No. 2 well?

A Jicarilla "B" No. 2 well is located in the southeast quarter Section 31, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

Q And that well was drilled for production of gas under Rule 104, is that correct?

A That is correct. It was projected to the Dakota to test the Dakota sand.

Q All the wells in and about that area have all been completed as gas wells, have they not?

A Practically all of the wells in this area have been completed as gas wells.

Q Where is the nearest oil well, how many miles?

A Approximately five miles to the northeast.

Q So that you had no reason to feel that you were going to complete the well as an oil well, in view of the results of the other wells drilled in the area, is that correct?

A Would you repeat the question, please?

Q So you had no indication that you would complete the well as an oil well, based on the results of the completed wells in and about that area?

A We had no anticipation of oil production at that location.

Q Very briefly, the well is off the 330 required distance for oil wells from the quarter quarter section line, is that correct, as an oil well?

A Yes, sir, that is correct.

Q And it is only 270 feet, rather than 330?

A Rather than the required 330, that is correct.

(Skelly Oil Company's Exhibit
No. 2 marked for identification.)

Q I will hand you what has been marked as Exhibit 2. Does that indicate the location of the oil well on that 160 acres with particular reference to the quarter quarter section line?

A It gives the location of the well with reference to the outside boundaries of the section line, with reference to the inside boundaries of the quarter quarter section line.

MR. SELINGER: I believe that is all we have. We would like to offer in evidence Exhibits 1 and 2.

MR. PORTER: Without objection they will be received.

(Skelly Oil Company's Exhibits
1 & 2 received in evidence.)

MR. PORTER: Anyone have a question? Mr. Cooley.

CROSS EXAMINATION

By MR. COOLEY:

Q How many acres are dedicated to this well, Mr. Teel?

A Forty acres, I believe.

Q Does Skelly own all the working interest in that?

A Yes, sir.

MR. COOLEY: That is all.

MR. SELINGER: All that indicated on Exhibit 1 in yellow
is all one base lease.

MR. PORTER: Any other questions? If not, the witness
may be excused.

(Witness excused.)

MR. PORTER: Do you have anything further to offer, Mr.
Selinger?

MR. SELINGER: That is all.

MR. PORTER: Anyone else have anything further in this
case? We will take the case under advisement and recess until
one P.M.

* * * * *

C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, MARIANNA MEIER, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 3rd day of July, 1957,
in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Marianne Meier
NOTARY PUBLIC

My commission expires:

April 8, 1960.