

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
AUGUST 30, 1961

EXAMINER HEARING

IN THE MATTER OF:
CASE 2367

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
August 30, 1961
9:00 A.M.

IN THE MATTER OF:

Application of Skelly Oil Company for an unorthodox gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico. Applicant in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the NE/4, NW/4 SE/4, N/2 SW/4 and SW/4 SW/4 of Section 17, Township 23 South, Range 37 East, Lea County, New Mexico; said unit is to be dedicated to the E. L. Steeler Well No. 7, located 1980 feet from the South line and 660 feet from the West line of said Section 17.

Case 2367

BEFORE:

Elvis A. Utz, Examiner

EXAMINER HEARING

EXAMINER UTZ: The first case on the docket will be Case 2367.

MR. MORRIS: Application of Skelly Oil Company for an unorthodox gas proration unit in the Jalmat Gas Pool.

Mr. Examiner, the Applicant in this case has requested a continuation for at least 30 days. The Protestant in the case concurs in the Applicant's request for a continuance.

MR. UTZ: Is there any objection to the Applicant's motion for continuance for a 30-day period? If there is no objection, Case 2367 will be continued to the first Examiner

Hearing in the month of October.

STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

I, MICHAEL P. HALL, Court Reporter do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill, and ability.

IN WITNESS WHEREOF, I have affixed my hand and notary seal this 30th Day of August, 1961.

Michael P. Hall
 Court Reporter - Notary Public

My Commission expires:

June 20, 1961

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2367, heard by me on 8-60 1961.

Michael P. Hall Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 4, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Skelly Oil Company for an
unorthodox gas proration unit in the
Jalmat Gas Pool, Lea County, New Mexico.
Applicant, in the above-styled cause,
seeks the establishment of a 320-acre
non-standard gas proration unit in the
Jalmat Gas Pool, consisting of the NE/4,
NW/4 SE/4, N/2 SW/4 and SW/4 SW/4 of
Section 17, Township 23 South, Range 37
East, Lea County, New Mexico; said unit
to be dedicated to the E. L. Steeler Well
No. 7, located 1980 feet from the South
line and 660 feet from the West line of
said Section 17.

CASE NO.
2367

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

EXAMINER UTZ: The hearing will come to order, please.
The first case will be Case No. 2367.

MR. MORRIS: Application of Skelly Oil Company for an
unorthodox gas proration unit in the Jalmat Gas Pool, Lea County,
New Mexico.

The Applicant, Skelly Oil Company, has requested that
this case be dismissed.

EXAMINER UTZ: Is there objection to the Applicant's
motion for dismissal of Case No. 2367?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



There being no objections, Case No. 2367 will be
dismissed.

FARMINGTON, N. M.
PHONE 325-1182

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 243-6691

STATE OF NEW MEXICO)
) ss
COUNTY OF SAN JUAN)

I, THOMAS F. HORNE, Court Reporter, do hereby certify that
the foregoing and attached transcript of proceedings before the
New Mexico Oil Conservation Commission at Santa Fe, New Mexico,
is a true and correct record to the best of my knowledge, skill
and ability.

T. Horne
NOTARY PUBLIC

My Commission Expires:

10-2-65

I do hereby certify that the foregoing is
a complete and correct transcript of the proceedings in
the Examiner's hearing of Case No. 2367,
heard by me on 10-4-64, 1964.
Thomas F. Horne Examiner
New Mexico Oil Conservation Commission



15: APPLICATION OF SKELLY OIL COMPANY TO EXTEND AN UNORTHODOX GAS PRODUCTION UNIT, TO CONSIST OF 320 CONTIGUOUS ACRES IN THE JALMAT GAS POOL, LISA COUNTY, NEW MEXICO.

16: THE NEW MEXICO OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

James Earl Skelly Oil Company, requesting approval of extending a 160 acre unorthodox gas production unit to a 320 acre unorthodox gas production unit in the Jalmat Gas Pool, Lisa County, New Mexico, where the standard gas production unit is 640 acres. The applicant respectfully alleges and states as follows:

1. That it is the owner and operator of its E. L. Steeler lease, consisting of 320 contiguous acres, described as the NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$ and E $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17, T-23-S, R-37-E, Lisa County, New Mexico, and that no diversity of royalty ownership is involved.
2. That it is the owner and operator of the E. L. Steeler Well No. 7, located 1300' from the south boundary and 660' from the west boundary of the lease and section, and is completed within the vertical limits of the Jalmat Gas pool as defined by the New Mexico Oil Conservation Commission.
3. That the present unorthodox gas production unit consists of 160 acres, described as the NE $\frac{1}{4}$ SW $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$; and SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 17, T-23-S, R-37-E, Lisa County, New Mexico.
4. That the applicant requests extension of the unorthodox gas production unit to include its E. L. Steeler lease in entirety, as described in item one (1) above.
5. That the proposed extension, i. e., the NE $\frac{1}{4}$ of Section 17, T-23-S, R-37-E, can reasonably be presumed to be productive of gas from the Jalmat gas pool.
6. (a) That production tests indicate the E. L. Steeler Well No. 7 is capable of a monthly gas production of 19,400 MCF, whereas the highest monthly allowable assigned it during the previous year was 6,848 MCF.
(b) Furthermore, that the well is capable of producing in excess of the expected allowable, should appropriate be granted this application.
7. That a plat showing the above described lands and all offset properties, indicating well locations and lease ownership to the best of our knowledge, is hereto attached.
8. That all offset operators have been notified with a copy of this application by registered mail.

Therefore, in the interest of conservation, protection of correlative rights, and to prevent undue hardship, the applicant requests that the Secretary of the Commission administratively grant approval of this application, enabling said applicant to operate the above described lands as a single unit.

Respectfully submitted,

SKELLY OIL COMPANY

A. E. Leab

RE: APPLICATION OF SKELLY OIL
COMPANY TO EXTEND AN UNORTHODOX
GAS PRORATION UNIT, TO CONSIST
OF 320 CONTIGUOUS ACRES IN THE
JALMAT GAS POOL, LEA COUNTY,
NEW MEXICO.

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

Comes now Skelly Oil Company, requesting approval of extending a 160 acre unorthodox gas proration unit to a 320 acre unorthodox gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico, where the standard gas proration unit is 640 acres. The applicant respectfully alleges and states as follows:

1. That it is the owner and operator of its E. L. Steeler lease, consisting of 320 contiguous acres, described as the NE/4 and NW/4 SE/4 and N/2 SW/4 and SW/4 SW/4 of Section 17, T-23-S, R-37-E, Lea County, New Mexico, and that no diversity of royalty ownership is involved.
2. That it is the owner and operator of the E. L. Steeler Well No. 7, located 1980' from the south boundary and 660' from the west boundary of the lease and section, and is completed within the vertical limits of the Jalmat Gas pool as defined by the New Mexico Oil Conservation Commission.
3. That the present unorthodox gas proration unit consists of 160 acres, described as the NW/4 SE/4; N/2 SW/4; and SW/4 SW/4, Section 17, T-23-S, R-37-E, Lea County, New Mexico.
4. That the applicant requests extension of the unorthodox gas proration unit to include its E. L. Steeler lease in entirety, as described in item one (1) above.
5. That the proposed extension, i. e., the NE/4 of Section 17, T-23-S, R-37-E, can reasonably be presumed to be productive of gas from the Jalmat gas pool.
6. (a) That production tests indicate the E. L. Steeler Well No. 7 is capable of a monthly gas production of 13,901 MCF, whereas the highest monthly allowable assigned it during the previous year was 6,848 MCF.
(b) Furthermore, that the well is capable of producing in excess of the expected allocation, should approval be granted this application.
7. That a plat showing the above described lands and all offset properties, indicating well locations and lease ownership to the best of our knowledge, is hereto attached.
8. That all offset operators have been notified with a copy of this application by registered mail.

Therefore, in the interest of conservation, protection of correlative rights, and to prevent undue hardship, the applicant requests that the Secretary of the Commission administratively grant approval of this application, enabling said applicant to operate the above described lands as a single unit.

Respectfully submitted,

SKELLY OIL COMPANY

H. E. Aab

H. E. Aab
Dist. Supt.