

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SKELLY OIL COMPANY FOR APPROVAL
OF A NON-STANDARD GAS PRORATION
UNIT, FOR ITS E. L. STEELER LEASE,
JALMAT GAS POOL.

*Case
2367*

P R O T E S T

Comes now Samedan Oil Corporation and protests administrative approval of the application of Skelly Oil Company for a non-standard gas proration unit for its E. L. Steeler lease, consisting of the NE/4, NW/4 SE/4, N/2SW/4, SW/4 SW/4, Section 17, Township 23, South, Range 37 East, Lea County, New Mexico, and as grounds therefor would show the Commission:

1. Samedan Oil Corporation is the owner of the working interest as to the remainder of the land in said Section 17.
2. Approval of the application of Skelly Oil Company would result in two isolated 160-acre tracts within said Section 17, which would require the drilling of two wells in order to adequately develop said acreage.
3. Approval of the application would impair the correlative rights of Samedan Oil Corporation and would result in waste in that it would necessitate the drilling of unnecessary wells on said Section 17.
4. Copies of this protest have been served upon the applicant and upon offsetting operators by mailing copies as follows:

Skelly Oil Company
Box 38
Hobbs, New Mexico

Western Nat. Gas
823 Midland Tower Building
Midland, Texas

Amerada Petroleum Corp.
Drawer D
Monument, New Mexico

WHEREFORE, Samedan Oil Corporation prays that the application of Skelly Oil Company for administrative approval of a non-standard gas proration unit as sought in said application be denied, and that this matter be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, said application be denied.

Respectfully submitted,

SAMEDAN OIL CORPORATION

By Jason W. Kellahin
Jason W. Kellahin
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ATTORNEYS FOR PROTESTANT

