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	554	<u>     8                               </u>
FILED		
HEARING	12267 / 0	1, 6,3

## 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.

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 Bisti Unit, and for other rules and regulations as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY

By (Agned) GEORGE W. SELLINGE

George W. Selinger

Original segred by: R. J. JAC HiS

By Ronald J. Jacobs Its Attorneys

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