



SKELLY OIL COMPANY

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TULSA, OKLAHOMA 74102

PRODUCTION DEPARTMENT

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BARTON W. RATLIFF, MGR. JOINT OPERATIONS

GEORGE W. SELINGER, MGR. CONSERVATION

February 21, 1967

Case 3538

Re: Application for Approval of
Skelly Penrose "A" Unit,
Lea County, New Mexico

VIA AIR MAIL SPECIAL DELIVERY

Mr. A. L. Porter, Jr., Secretary-Director
Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Dear Mr. Porter:

We are attaching original and four copies of our application for approval of the Skelly Penrose "A" Unit Agreement.

As we discussed previously, time is of the essence in this matter and in order to have a final order before the expiration of the ipso facto termination date we desire to have this matter heard before the Commission on March 15, 1967.

We are, also, attaching to the application, in addition to copy of the Unit Agreement, a list of names and addresses of all interest owners within the proposed Unit Area.

Yours very truly,

George W. Selinger

RJJ:br
Attach.

RECORDED & INDEXED

Date 3-2-67

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 SKELLY PENROSE "A" UNIT IN THE)
LANGLIE-MATTIX POOL, LEA COUNTY, NEW MEXICO.)

CASE NO. 3538

FILED _____

HEARING 3/15/67

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 proposed Skelly Penrose "A" Unit Area of the Langlie-Mattix Pool, Lea 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 Skelly Penrose "A" Unit in the Langlie-Mattix Pool be established and approved.

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

Township 23 South, Range 37 East

S/2; S/2 NE/4, SE/4 NW/4 and Lots 1, 2 and 3 of Section 4, ✓

S/2 N/2, W/2 SW/4, SE/4 SW/4, NW/4 SE/4, E/2 SE/4 and

Lots 2, 3 and 4 of Section 3,

~~E/2~~ S/2 of Section 9,

N/2, N/2 SW/4, SW/4 SW/4, NW/4 SE/4 of Section 10;

Township 22 South, Range 37 East

S/2 of Section 33,

SW/4 of Section 34,

All in Lea County, New Mexico,

and containing 2,426.85 acres, more or less, of fee and federal lands.

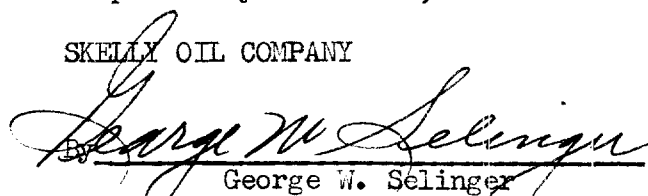
4. That the formation sought to be unitized is the Penrose Sand formation underlying the Unit Area, the same being the heretofore established underground reservoir which has been found to occur between the depths of 3,279 feet and 3,673 feet in Skelly Oil Company's Sims "D" No. 2 well (located S/2 SE/4 NW/4 Sec. 3-T23S-R37E, Lea County, New Mexico) as indicated by Schlumberger's electric log No. 1, taken November 5, 1948, said log being measured from a derrick floor elevation of 3,308 feet above sea level.

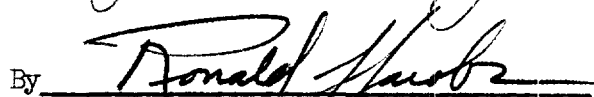
5. That attached hereto and made a part hereof by reference is a copy of the Unit Agreement for the development and operation of the Skelly Penrose "A" Unit, and that contained in said Agreement as Exhibit "A" is a map showing the Unit Area, and as Exhibit "B" is a schedule of tracts.

WHEREFORE, PREMISES CONSIDERED, applicant prays that this Commission set this matter down for hearing, that notice hereof be given as required by law, and that at the conclusion of said hearing, based on the evidence adduced, approve the Unit Agreement for the Skelly Penrose "A" Unit, and for such other orders, rules and regulations as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY


George W. Selinger

By 
Ronald J. Jacobs
Its Attorneys

Of Counsel:

L. C. White

White, Gilbert, Koch & Kelly

P. O. Box 787

Santa Fe, New Mexico