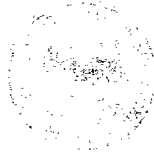


GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission



P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

June 14, 1961

Re: CASE NO. 2284

ORDER NO. R-1997

APPLICANT:

Skelly Oil Company

Mr. Charlie White
Gilbert, White & Gilbert
P. O. Box 787
Santa Fe, New Mexico

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A handwritten signature in cursive script that reads "A. L. Porter, Jr.".

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

OTHER Mr. George Selinger

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2284
Order No. R-1997

APPLICATION OF SKELLY OIL COMPANY
FOR AN EXCEPTION TO RULE 303 (a),
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 24, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of June, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Skelly Oil Company, is the owner and operator of the E. A. Sticher Lease, comprising the N/2 SW/4 of Section 4, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks permission to commingle the oil production from the Hare and Drinkard Pools with the distillate production from the Blinebry and Tubb Gas Pools on the above-described E. A. Sticher Lease, and to allocate the production to each well in each pool on the basis of periodic well tests.

(4) That inasmuch as all wells on the subject lease are marginal in the Hare and Drinkard Pools, approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Skelly Oil Company, is hereby authorized to commingle the oil production from the Hare and Drinkard Pools

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CASE No. 2284
Order No. R-1997

with the distillate production from the Blinebry and Tubb Gas Pools on its E. A. Sticher Lease, consisting of the N/2 SW/4 of Section 4, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That production shall be allocated to each well in each pool on the basis of quarterly well tests.

PROVIDED FURTHER, That in the event any well on the subject lease becomes capable of producing top allowable in either the Hare or Drinkard Pool, the applicant shall notify the Santa Fe office of the Commission of such fact.

IT IS FURTHER ORDERED:


That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

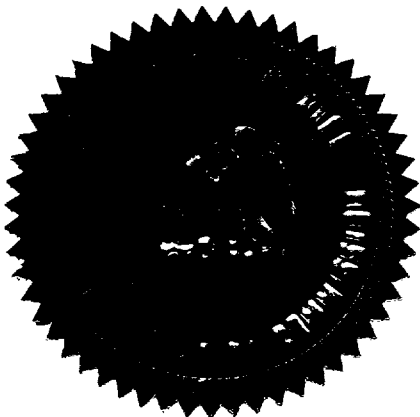
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


A. L. PORTER, Jr., Member & Secretary



esr/