

Oil Conservation Commission
H.P.

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. 2927
Order No. R-2607

APPLICATION OF SKELLY OIL COMPANY
FOR GAS COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 30, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 20th day of November, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, seeks an exception to Rule 21(A) of the General Rules and Regulations governing prorated gas pools in Northwest New Mexico, promulgated by Order No. R-1670, to commingle gas production from the following-described wells:

SOUTH BLANCO-PICTURED CLIFFS POOL

Township 25 North, Range 5 West

Jicarilla "C" Well No. 4, Unit A, Section 28
Jicarilla "C" Well No. 5, Unit J, Section 28
Jicarilla "C" Well No. 7, Unit P, Section 21
Jicarilla "C" Well No. 11, Unit M, Section 27
Jicarilla "C" Well No. 12, Unit C, Section 33
Jicarilla "C" Well No. 13, Unit B, Section 33

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OTERO-CHACRA POOL

Township 25 North, Range 5 West

Jicarilla "C" Well No. 9, Unit K, Section 28
Jicarilla "C" Well No. 12, Unit C, Section 33
Jicarilla "C" Well No. 13, Unit B, Section 33

(3) That the applicant proposes to continuously meter the gas production from each well prior to commingling.

(4) That the applicant also seeks authority to subsequently commingle said gas at the intake of applicant's compression facilities on its Jicarilla "C" Lease with casinghead gas produced from the Otero-Gallup Gas Pool underlying said lease, and to determine the volume of casinghead gas production by the subtraction method.

(5) That the applicant also seeks the establishment of an administrative procedure whereby the Secretary-Director may approve expansion of the commingling system by the inclusion of additional wells therein.

(6) That the applicant proposes that the existing meter runs should remain on all wells and that the purchaser should continue to report the runs on Form C-114.

(7) That approval of the subject application will result in convenience and economy to the operator, will be in the interest of conservation, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby granted an exception to Rule 21(A) of the General Rules and Regulations governing prorated gas pools in Northwest New Mexico, promulgated by Order No. R-1670, to commingle gas produced from the following-described wells:

SOUTH BLANCO-PICTURED CLIFFS POOL

Township 25 North, Range 5 West

Jicarilla "C" Well No. 4, Unit A, Section 28
Jicarilla "C" Well No. 5, Unit J, Section 28
Jicarilla "C" Well No. 7, Unit P, Section 21
Jicarilla "C" Well No. 11, Unit M, Section 27
Jicarilla "C" Well No. 12, Unit C, Section 33
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OTERO-CHACRA POOL

Township 25 North, Range 5 West

Jicarilla "C" Well No. 9, Unit K, Section 28
Jicarilla "C" Well No. 12, Unit C, Section 33
Jicarilla "C" Well No. 13, Unit B, Section 33

PROVIDED HOWEVER, That the gas production from each well shall be continuously metered prior to commingling.

(2) That the applicant is hereby authorized to subsequently commingle said gas at the intake of applicant's compression facilities on its Jicarilla "C" Lease with casinghead gas produced from the Otero-Gallup Gas Pool underlying said lease, and to determine the volume of casinghead gas production by the subtraction method.

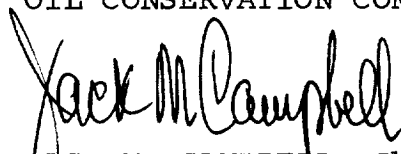
(3) That the existing meter runs shall remain on all wells and that the purchaser shall continue to report the runs on Form C-114.


(4) That the Secretary-Director of the Commission is hereby authorized to approve the inclusion of additional wells in the commingling system approved by this order provided all such wells are located on the applicant's Jicarilla "C" Lease and will be continuously metered prior to commingling.

(5) 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


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member



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

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