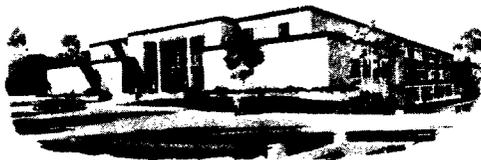


# State of New Mexico

TELEPHONE  
505-827-2748



## Commissioner of Public Lands

August 30, 1972

ALEX J. ARMIJO  
COMMISSIONER

P. O. BOX 1148  
SANTA FE, NEW MEXICO

Skelly Oil Company  
P. O. Box 1351  
Midland, Texas 79701

Re: Application of Skelly Oil Company  
to commingle oil production from  
Company's State "Q", State "R",  
and State "S" leases located in the  
Lovington Abo Pool, Lea County,  
New Mexico

ATTENTION: Mr. C. J. Love

Gentlemen:

Reference is made to your application dated August 25, 1972, requesting approval to commingle oil production from the Lovington Abo formation from the State "Q", State "R", and State "S" leases into a central tank battery.

You are hereby given approval to the above request. Any deviation from your proposed request will be reason to cancel approval. This approval is subject to like approval by the New Mexico Oil Conservation Commission.

Your Ten (\$10.00) dollar filing fee was previously submitted to this office.

Very truly yours,

RAY D. GRAHAM, Director  
Oil and Gas Department

AJA/RDG/s  
cc:

New Mexico Oil Conservation Commission  
New Mexico Oil and Gas Accounting Commission  
Leases B-7316, B-7766, and B-7845



Department of Agriculture

Albuquerque, N.M.

OFFICE OF THE  
COMMISSIONER OF AGRICULTURE

ALBUQUERQUE, N.M.

Albuquerque, N.M.,  
February 10, 1914.

Dear Sir:  
I have the honor to acknowledge the receipt of your letter of the 7th inst. in relation to the matter mentioned therein. The same has been referred to the proper authorities for their consideration.

Very respectfully,  
Commissioner of Agriculture

I am, Sir, very truly,  
Your obedient servant,  
[Signature]

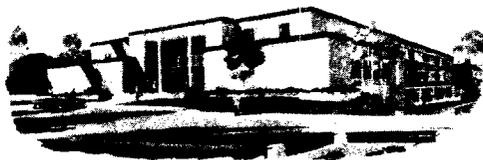
Very truly yours,  
[Signature]

Very truly yours,  
[Signature]

Very truly yours,  
[Signature]

# State of New Mexico

TELEPHONE  
505-827-2748



## Commissioner of Public Lands

August 15, 1972

ALEX J. ARMIJO  
COMMISSIONER

P. O. BOX 1148  
SANTA FE, NEW MEXICO

Skelly Oil Company  
P.O. Box 1351  
Midland, Texas 79701

Re: Application for permission to commingle oil production from Skelly's State "O", State "Q", State "R", and State "S" leases located in the Lovington Abo Pool, Lea County, New Mexico

ATTENTION: Mr. C. J. Love

Gentlemen:

We have reviewed your application to commingle production from the State "O" lease with the production from the State "Q", State "R" and State "S" leases. The state beneficiary under the State "O" Lease is the Miners Hospital. The beneficiary under the State "Q", State "R" and State "S" leases is Common Schools. Since there are two different beneficiaries involved, we can not approve your application. Rule 52, of the State Land Office Rules and Regulations states as follows:

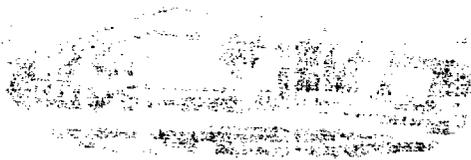
"Commingling Prohibited-Different Beneficiary Institutions.

It is required that all production of oil and/or gas from lands belonging to different state beneficiaries shall be segregated. The commingling, confusion or the intercommunication of such production by the utilization of common tankage facilities, before marketing, with the production from any other institutional lands or any lands not belonging to the State of New Mexico is strictly prohibited."

Enclosed is a copy of our Rules and Regulations on Commingling of Oil and Gas on State owned lands.

In your letter your State "O" Lease is described wrong, it should be the NE/4 and SE/4, SE/4NW/4, and Lots 3 and 4. Your No. 9 well is in the SW/4SW/4 and the well No. 10 is in the NW/4SW/4 of Section 31-T16S-R37E.

SECRET



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Skelly Oil Company  
August 15, 1972  
Page 2.

If we can be of further assistance please do not hesitate to call on us.

Very truly yours,



RAY D. GRAHAM, Director  
Oil and Gas Department

AJA/RDG/s  
cc:

New Mexico Oil Conservation Commission ✓  
Santa Fe, New Mexico

New Mexico Oil and Gas Accounting Commission  
Santa Fe, New Mexico

State Leases- B-7896, B-7845, B-7766-2 & 5 and B-7316

1912

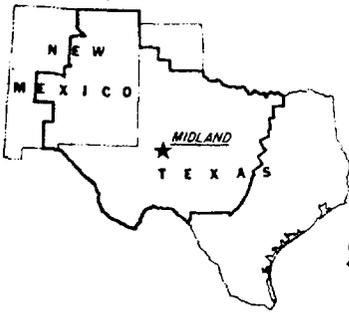
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# SKELLY OIL COMPANY

August 11, 1972

EXPLORATION & PRODUCTION DEPARTMENT  
WEST CENTRAL DISTRICT

A. B. CARY, EXPLORATION & PRODUCTION MANAGER  
V. E. BARTLETT, EXPLORATION MANAGER  
C. J. LOVE, PRODUCTION MANAGER  
J. R. AVENT, ADMINISTRATIVE COORDINATOR

ADDRESS REPLY TO:  
P. O. BOX 1351  
MIDLAND, TEXAS 79701

File: State "O" Lease No. 16779  
State "Q" Lease No. 16708  
State "R" Lease No. 73616  
State "S" Lease No. 15904

Re: Application of Skelly Oil Company to  
Commissioner of Public Lands for  
permission to commingle oil production  
from Company's State "O", State "Q",  
State "R", and State "S" leases located  
in the Lovington Abo Pool, Lea County,  
New Mexico

Commissioner of Public Lands (3)  
P. O. Box 1148  
Santa Fe, New Mexico 87501

Gentlemen:

Skelly Oil Company herein makes application for approval to commingle similar crudes from a common reservoir into a central tank battery from the above mentioned leases. The State "Q" and "R" are presently being commingled under authority granted in 1960 by administrative order CTB No. 53.

In support of this application Skelly Oil Company states the following:

1. Permission is requested to commingle oil production from the Lovington Abo formation into a central tank battery. There are several reasons why we feel this request should be granted, among these are: (1) More efficient operations. (2) Will reduce manpower and equipment requirements. (3) Through reduction of expenditures, economic life of leases will be extended thereby increasing revenue to Skelly Oil Company and the State of New Mexico.
2. Plats are attached which indicate the following: location of leases, wells, present and proposed flow lines, location of stock tanks. All piping (both present and proposed) will be on the surface.
3. Following is a list of the involved leases arranged by their State Land Office lease number, their legal description; all

August 11, 1972

408 /  
of these state leases concern a single royalty owner, that being the State of New Mexico and are all dedicated to a common beneficiary which is the New Mexico Common Schools.

- A. State "S" Lease No. B-7316. Applicants State "S" lease is a 40 acre tract confined by the SE/4 of the SE/4 of Section 35-T16S-R36E and has 1 Lovington Abo Well No. 2.
  - B. State "R" Lease No. B-7766. Applicants State "R" lease is a 240 acre tract confined by the NW/4 and E/2 of the SW/4 of Section 36-T16S-R36E, which has 2 Lovington Abo Wells, Nos. 5 and 6. These 2 wells are currently being commingled with the 2 Lovington Abo wells located on the State "Q" lease.
  - C. State "Q" Lease No. B-7845. Applicants State "Q" lease is an 80 acre tract confined by the S/2 of the SE/4, Section 36-T16S-R36E, which has 2 Lovington Abo Wells, Nos. 3 and 4. These two wells are currently being commingled with 2 Lovington Abo wells located on the State "R" lease.
  - D. State "O" Lease No. B-7896. Applicants State "O" lease is a 459 acre tract confined by the NW/4 and SE/4, Section 31-T16S-R37E, which has 2 Lovington Abo Wells Nos. 9 and 10, which are located on an approximate 80 acre tract in the SW/4 of SW/4 of Section 31-T16S-R37E. We desire to commingle these 2 wells into common tankage with oil production from the above described leases.
4. All of the above described wells contained within the described leases produce from a common source of supply or reservoir, that being the Abo formation. The pool designation for this oil productive pay in this area is the "Lovington Abo Pool."
  5. Due to the fact that similar crudes with similar gravities and characteristics and from a common reservoir are being commingled, there will be no significant increase or reduction in value of the commingled oil; however, there are economic benefits which will be realized by the State of New Mexico as a result of permitting Skelly Oil Company to commingle as proposed: Through a streamlining of our operation and improved efficiency, the economic life of these leases will be extended, less manpower, less equipment and facilities will increase the net value of a barrel of oil which in turn will allow for a longer economic life of the leases.
  6. A schematic diagram of the proposed oil handling, storage, and sales facilities are attached.
  7. All components which will be utilized in this system are commercially available.
  8. The production of oil and gas from each state lease will be properly accounted for through use of a portable well tester and periodic

State "O", "Q", "R", "S"  
Page No. 3  
August 11, 1972

well testing as prescribed by the New Mexico Oil Conservation Commission. None of the wells which will be producing into the commingling system are top allowable.

If additional information is needed, please advise.

Very truly yours,

*D. A. Strickling, Sr.*  
for C. J. Love

WTT/rc

Attachments

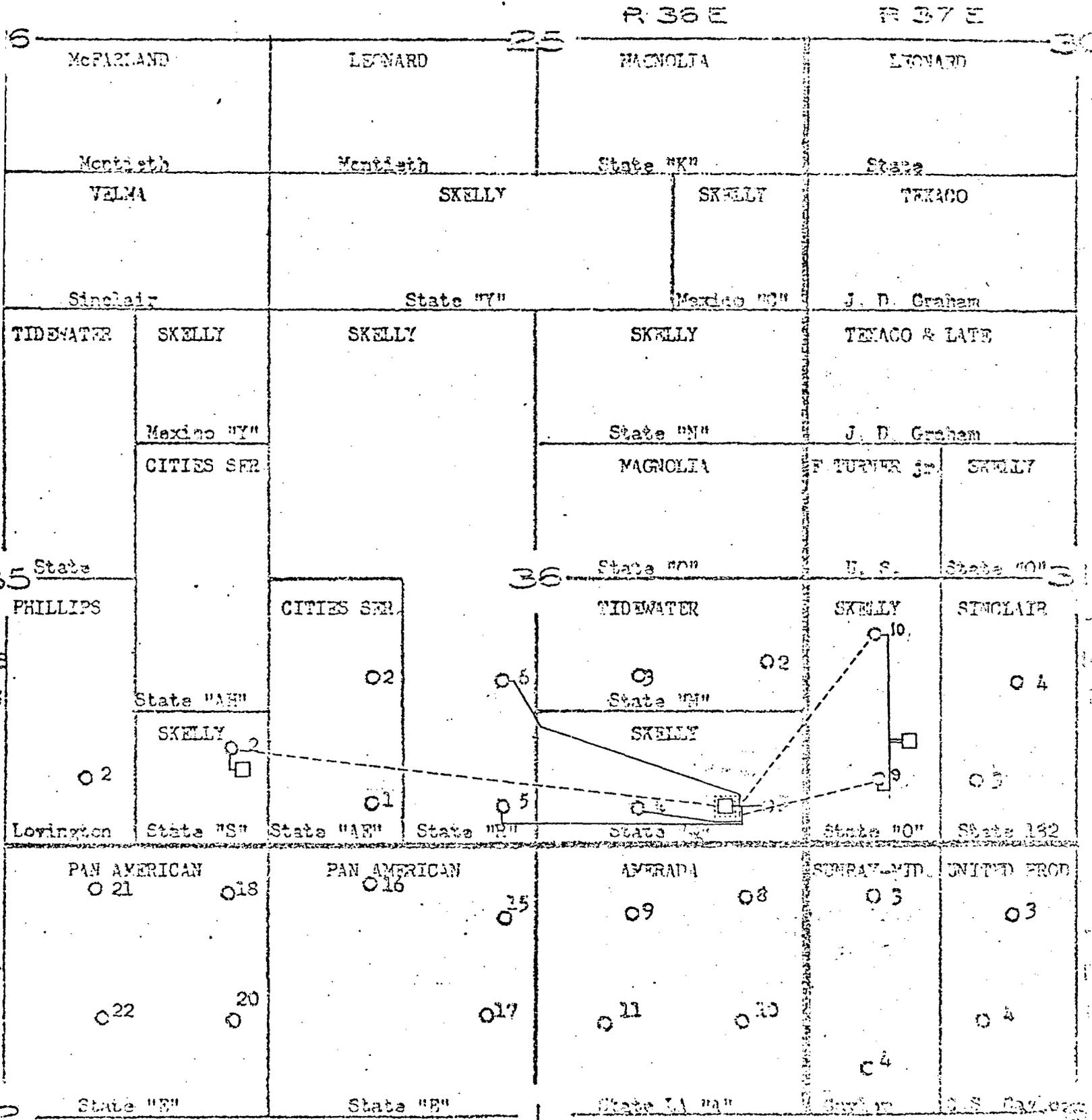
Plat

Diagram of well tester

Schematic diagram of LACT equipment

\$10.00 filing fee check

SKELLY  
 LOVINGTON AREA  
 T-16-S R-36 & 37-E  
 T-17-S R-36 & 37-E  
 LEA COUNTY, NEW MEXICO



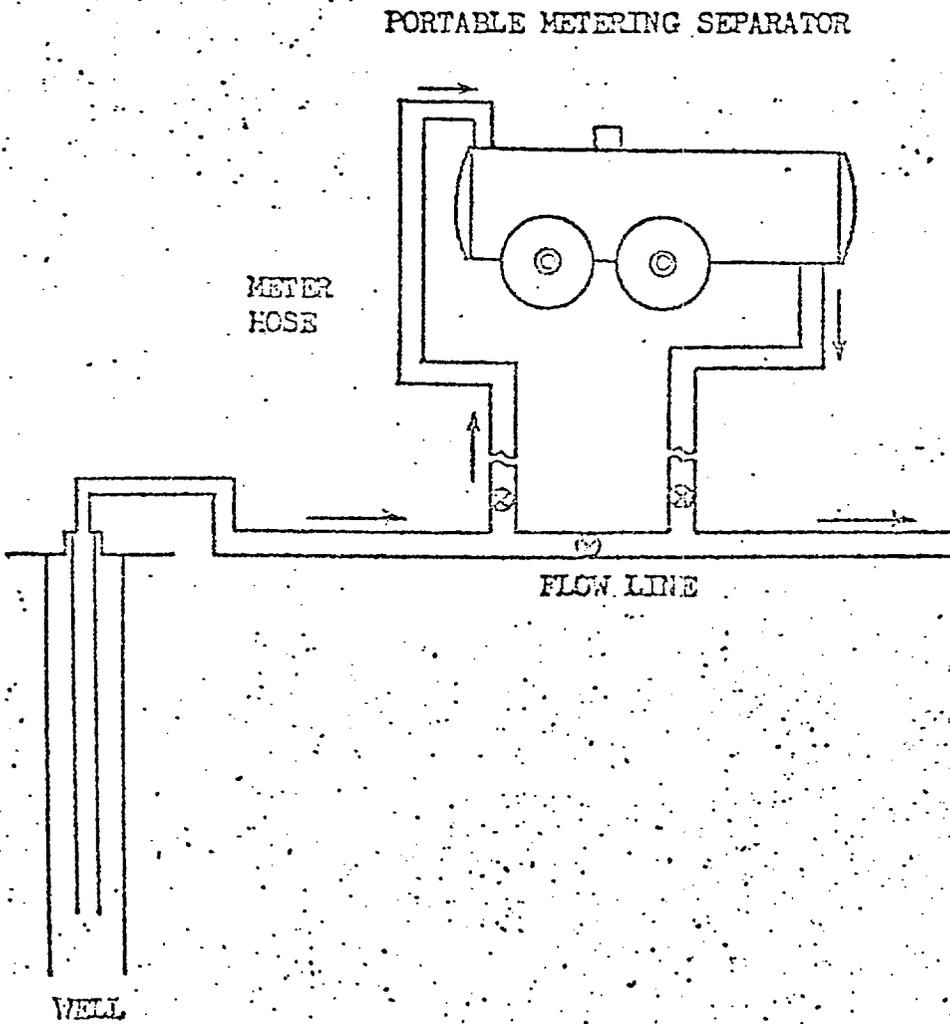
□ Tank Battery (Existing) □ (Proposed)

— Flow Lines - Surface

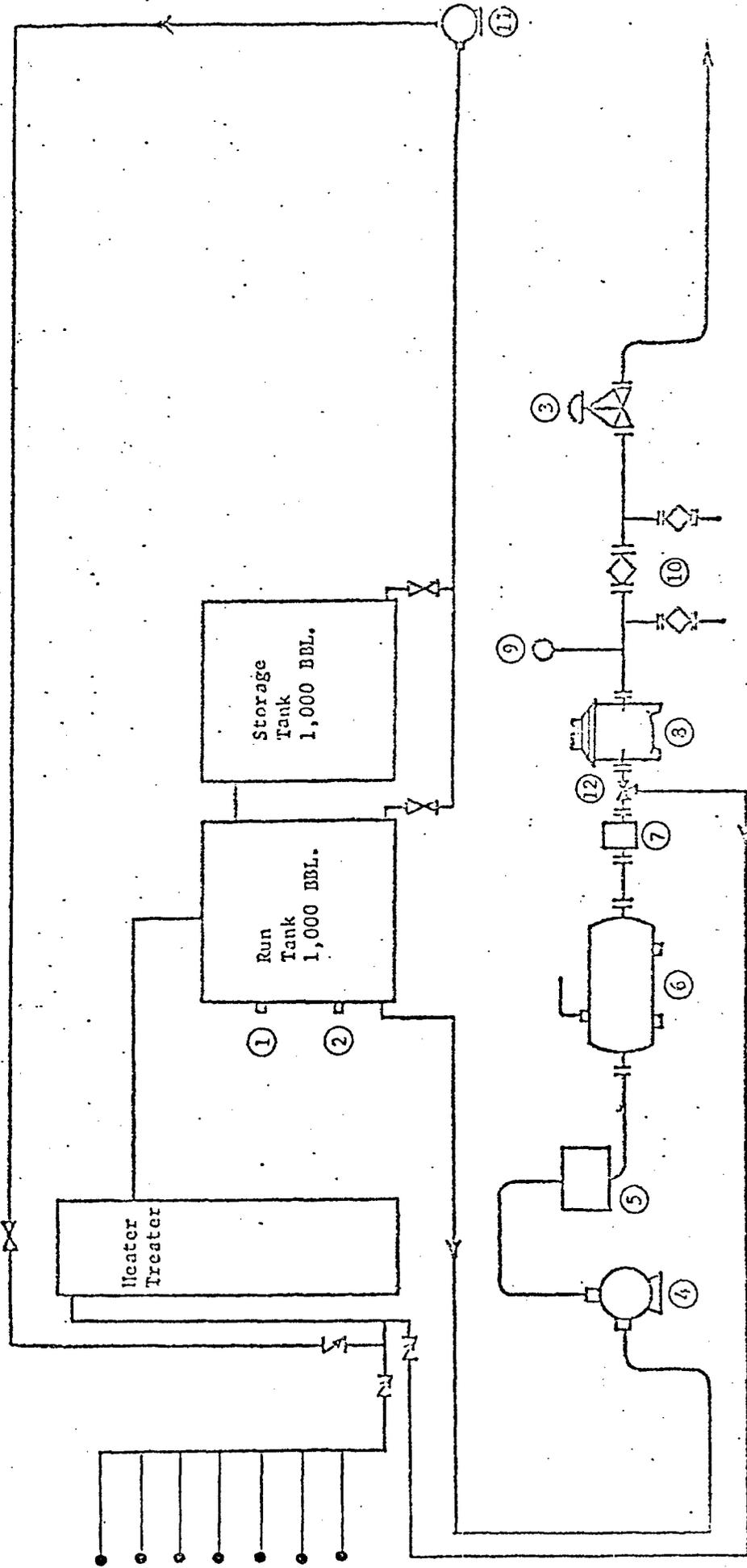
--- Proposed Flow Lines - Surface

Scale 1" = 1920 ft

PROPOSED WELL TEST FACILITIES



# Schematic of Proposed Installation



## Legend

- 1. Starting Level Switch
- 2. Low Level Shut-in Switch
- 3. Combination Back Pressure Shut-in Valve
- 4. Centrifugal Charging Pump & Motor
- 5. Sampler
- 6. Gas Eliminator - Strainer
- 7. BS & W Monitor
- 8. PD Meter
- 9. Pressure Gauge 0-100 Range
- 10. Meter Proving Loop
- 11. Recirculating Pump
- 12. Diverting Valve

OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

*Handwritten initials*

DATE March 22, 1960

OIL CONSERVATION COMMISSION  
BOX 871  
SANTA FE, NEW MEXICO

Re: Proposed NSP \_\_\_\_\_

Proposed NSL \_\_\_\_\_

Proposed NFC \_\_\_\_\_

Proposed DC \_\_\_\_\_

Gentlemen:

C T E 53

I have examined the application dated March 21, 1960  
for the Skelly Oil Co.- St. Q and R Leases in Lovington Abo.  
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

O. K..... E.F.E.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours very truly,

OIL CONSERVATION COMMISSION

*Handwritten signature*

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent data collection procedures and the use of advanced analytical techniques to derive meaningful insights from the data.

3. The third part of the document focuses on the implementation of data-driven decision-making processes. It provides a detailed overview of the steps involved in identifying key performance indicators (KPIs) and using data to inform strategic decisions.

4. The fourth part of the document discusses the challenges and risks associated with data management and analysis. It offers practical advice on how to mitigate these risks and ensure the integrity and security of the data.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of ongoing monitoring and evaluation to ensure that the data-driven approach remains effective and relevant over time.

6. The final part of the document provides a list of references and resources for further reading. It includes links to relevant research papers, industry reports, and online courses that can help deepen the reader's understanding of the topics discussed.