

*See letter
to Sec. 5-1-40*
PC-30
(waiting period)

See April 14
Re: IN THE MATTER OF SKELLY OIL
COMPANY SEEKING ADMINISTRATIVE
APPROVAL FOR AN EXCEPTION TO
STATEWIDE RULE 303(a) AS PER-
TAINING TO COMMINGLING OF OIL
FROM POOLS AFTER SEPARATELY
METERING THE OIL PRODUCTION ON
APPLICANT'S LAS CRUCES "C" LEASE

TO: THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

Comes now the applicant, Skelly Oil Company, and respectfully alleges and states as follows:

1. That it is the owner and operator of its Las Cruces "C" Lease, which consists of the SW/4 NE/4 Section 23, T-25-S, R-37-E, Lea County, New Mexico.

2. That there is no diversity of royalty ownership underlying the above described lease.

3. That the applicant is drilling one well which is to be dually completed in the Justis Blinbry oil pool and Justis Tubb-Drinkard oil pool.

4. That the applicant proposes to commingle production from the two pool after separate metering of the oil production from both pools.

5. That adequate testing facilities will be installed to accurate testing of the well and meters.

6. Attached hereto is a plat of the area showing the location of applicant's well and offset operators who has been notified with a copy of this request by registered mail.

7. Attached hereto is a diagrammatic sketch of the tank battery.

8. The Justis Blinbry pool is expected to produce 44 BOPD of 38.6° Gravity Crude which will sell for \$2.97 per barrel.

9. The Justice Tubb-Drinkard pool is expected to produce 44 BOPD of 41° Gravity Crude which will sell for 3.01 per barrel.

10. The commingled production is expected to be 88 BOPD of 39.8° Gravity Crude which will sell for 2.99 per barrel.

11. The price of the commingled crude will be the same as the total price of the separate crudes and will have a shorter weathering time.

Therefore, so that undue hardship will not be enforced, Skelly Oil Company requests that the Secretary of the Commission administratively grant an exception to Statewide Rule 303 (a), so as to permit commingling in common storage after separately metering the oil production from both pools.

Yours very truly,

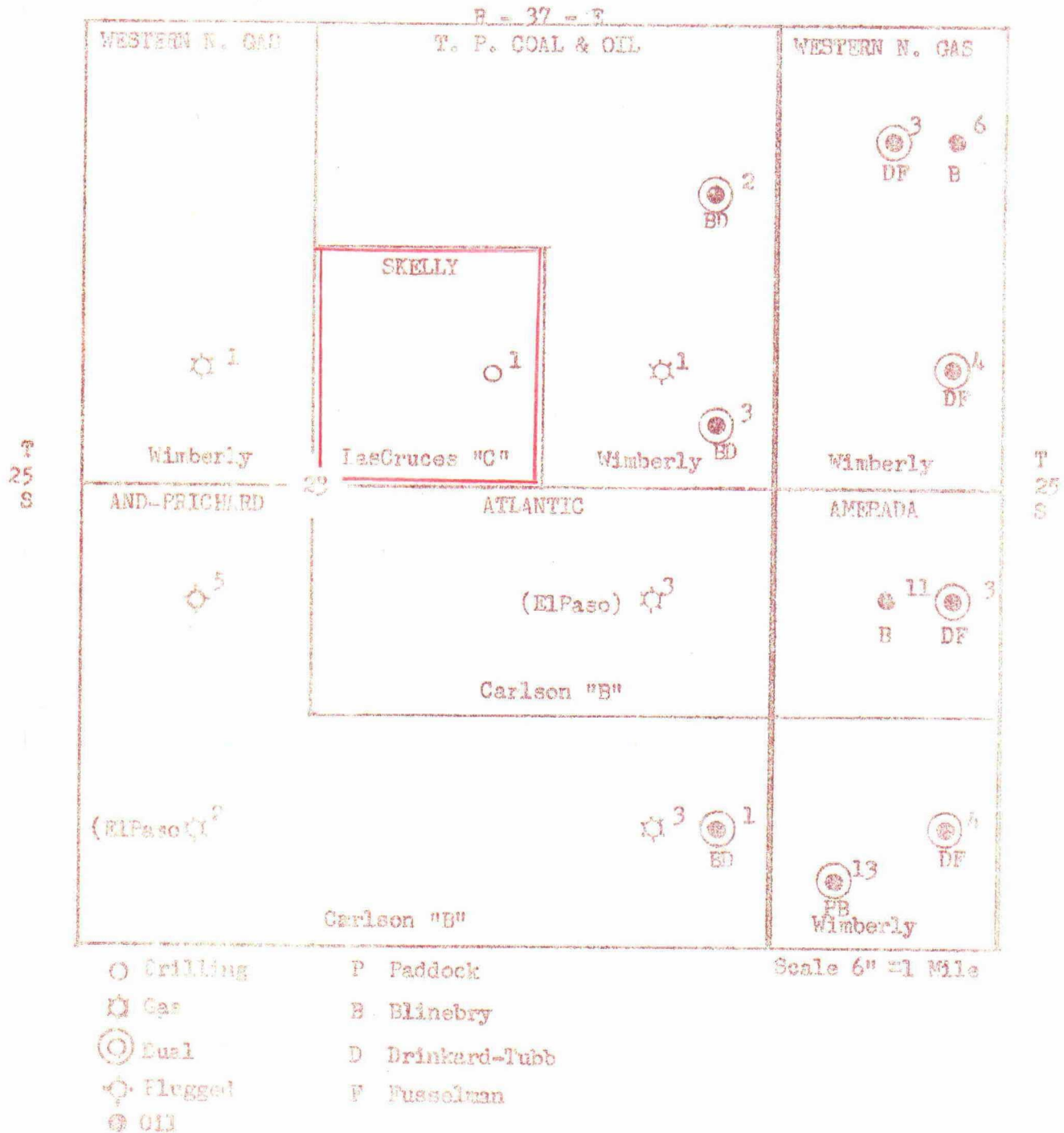
SKELLY OIL COMPANY

J. N. Dunlavey

JND/ARB/s

SKELLY OIL COMPANY

Las Cruces "C" Lease
Section 23-T25S-R37E
Lea County New Mexico



OIL CONSERVATION COMMISSION

BOX 2045

HOBBS, NEW MEXICO

DATE April 18, 1961

OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

Re: Proposed NSP _____

Proposed NSL _____

Proposed NFC _____

Proposed DC _____

Gentlemen:

PC 30

I have examined the application dated _____
for the Skelly Oil Co. Las Cruces "C" Lease 23-25-37 Justis Bl. & Justis
Operator Lease and Well No. S-T-R Tubb-Dr.

and my recommendations are as follows:

O.K.---E.F.E.

O.K.---J.W.R.

Yours very truly,

OIL CONSERVATION COMMISSION

