

March 27, 1974

Application Of Mesa Petroleum Co. For
Commingling Liquid Production From
Separate Pools At The Skelly State Com #1
Battery, Located in Unit I Section 14, Town-
ship 16S, Range 35E, Lea County, New Mexico,
In Accordance With Rule 303-B.

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Mesa Petroleum Co. hereby makes application for commingling liquid production from separate pools at the Skelly State Com #1 Battery in Unit I, Section 14, Township 16S, Range 35E, Lea County, New Mexico, in accordance with provisions of Rule 303-B.

A schematic diagram of the proposed surface equipment installation is enclosed, together with a wellbore sketch of downhole mechanics. Approval was granted November 16, 1973, by the Oil Conservation Commission (order number R-4657) to dually complete this well. The well has not been dually completed to date, primarily because there has been no market for dry gas (Morrow) and casinghead gas (Wolfcamp). Currently, Tipperary Corporation is installing a gas sales line to the well and connection will occur in the immediate future.

As shown in the following table, the total daily value of produced liquids will be slightly greater after commingling by virtue of gravity - price bracketing. Gravities and volumes for each pool are shown.

<u>Well - Pool</u>	<u>Est. Daily oil & cond. Prod.</u>	<u>Est. Daily Gas. Prod.</u>	<u>Oil & cond. Gravity API @ 6°F</u>	<u>Price/ BBL</u>	<u>Daily oil & cond. Value</u>
Skelly State Com #1 - Wolfcamp	50 BBLS	150 MCF	39.0	10.09	504.50
Skelly State Com #1 - Morrow	20 BBLS	500 MCF	45.8	10.11	202.20
Combined	70 BBLS	650 MCF	---		706.70
Commingled	70 BBLS	650 MCF	40.9	10.11	707.70

Mesa is the operator of this communitized lease. Monsanto and Skelly are the other working interest owners. Skelly also owns an over-riding royalty of 0.5947% in the SE/4 of the section. There are 160 acres (SE/4) dedicated to the Wolfcamp pool, as per Shoe Bar North field rules, and 320 acres (E/2) dedicated to the undesignated Morrow pool.

Well tests will be run monthly on each pool. As noted in the equipment layout sketch, valves can be manipulated to route production from each pool to a separate tank.

MESA PETROLEUM CO.

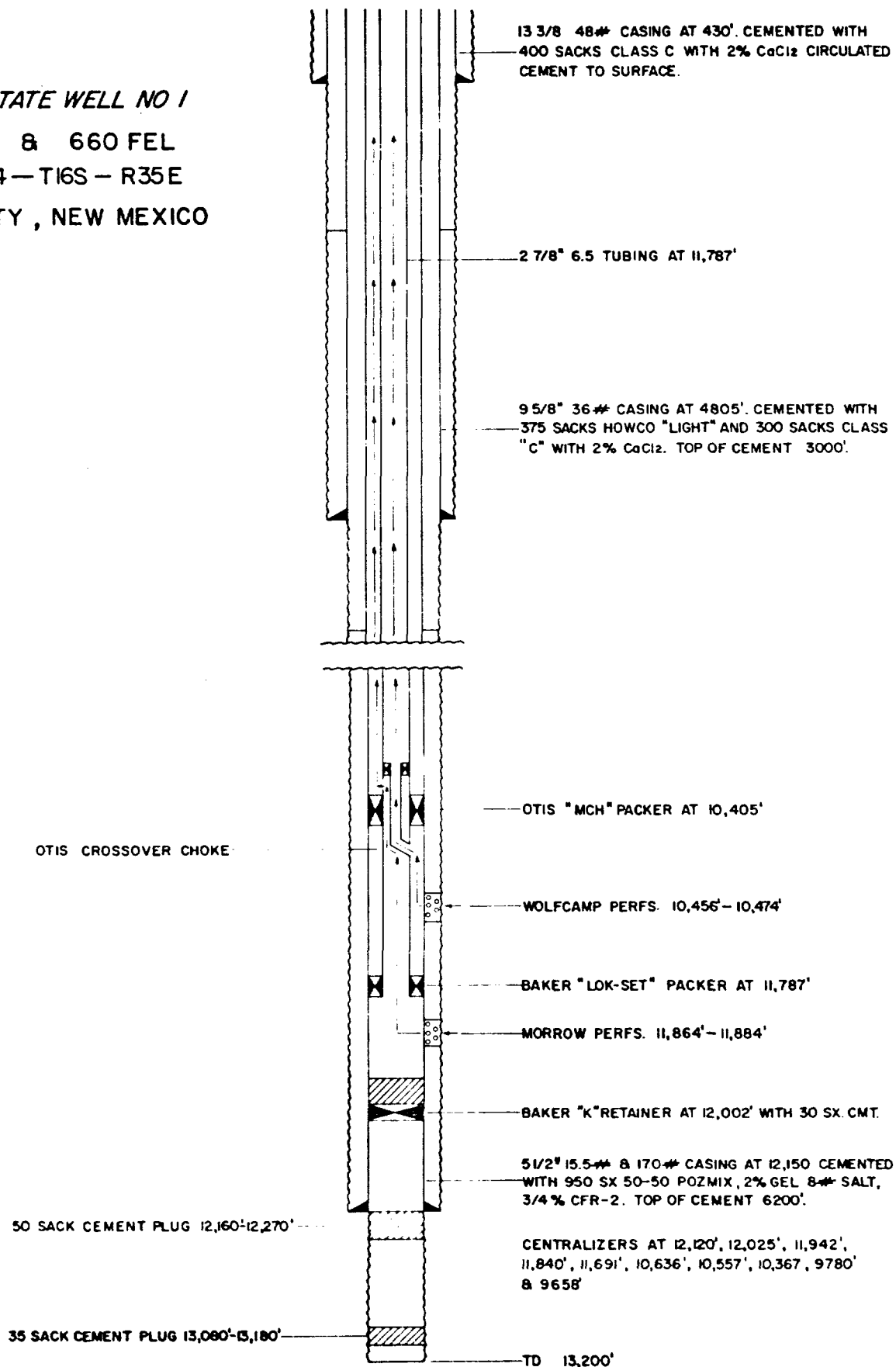
Michael P. Houston

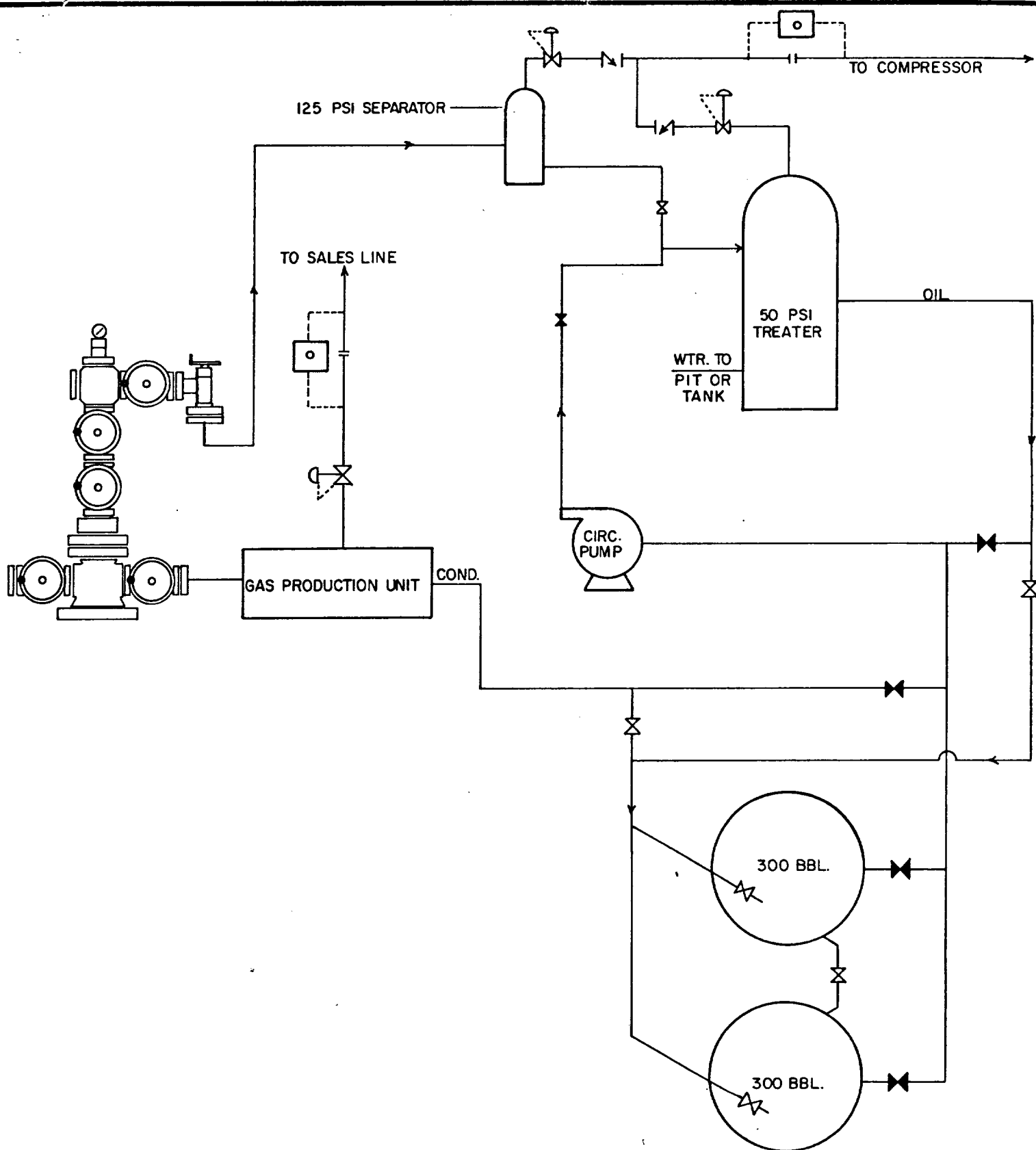
Michael P. Houston
Production Engineer

MPH/mp

Enclosures

SKELLY-STATE WELL NO 1
 1980 FSL & 660 FEL
 SECTION 14 — T16S — R35E
 LEA COUNTY, NEW MEXICO





SKELLY STATE COM WELL NO.1
 1980' FSL & 660 FEL
 SEC 14-T16S-R35E
 LEA COUNTY, NEW MEXICO

EXHIBIT

SHOE BAR NORTH FIELD

LEA COUNTY, NEW MEXICO

- WOLFCAMP OIL
- ⊙ STRAWN OIL
- ☼ MORROW GAS
- DRILLING WELL

SCALE 1"=2000'

TD10,720

Pan American

TD 13,905'

R. L. Burns

12

Mesa

Mesa

7

State

State

Mary E. Love

Mesa

Mesa

R. L. Burns

Bertha L. McLemore

L. W. Jones et al

J. A. Chambers et al

Mesa

Mesa

Mesa

J. M. Gantt

Barbara L. Owens

M.L. Powers et al

TD 5312'

State

C. E. Hillburn

T. E. Lusk

5

Mesa Pet. Co. & Monsanto

14

Mesa Petroleum & Monsanto

Mesa

13

Mesa

Mesa

18

State

Jewel Travis et al

Monsanto

Monsanto

"Hillburn"
TD 12,015

"Lister"

"BARTON"

T
16
S

Monsanto

Skelly

June D. Speight et al

Lois Mae Wallace et al

Mary L. Powers et al

Mary L. Powers et al

T
16
S

TD13,200

"Sumruid"

Mesa

SOUTHWEST LOVINGTON UNIT	
Mesa	70.3977 %
Monsanto	25.0568 %
Skelly	4.5455 %

State "Skelly State"

So. Pet. Expl. Inc. et al

Hetta Pearl Stokes et al

Georgia A. Steele

George Sumruid et al

2

Shell

Mesa Pet. Co.

23

"M'PHERSON"
J.A. Chambers et al

Mesa

Mesa

H. Stokes et al

Mesa

S.P. Johnson

24

Mesa

L. C. Harris

L.C. Harris 1/4

3/4 OPEN

State

R.C. Hanks

19

Harold A. Elkan et al

Harold A. Elkan et al

Alice Jane Sumruid

Clements

Clements

Clements

J.E. Stokes

Powhatan Carter 1/4 M 1

Eidson Ranch Inc.

John E. Stokes et al

George Sumruid

C. L. Payne

Helen Van Gleason

H. Van Gleason

State

7

G. F. Clements

G. F. Clements

G. F. Clements

Hilliard

25

TD13,172'

Payne Ent.

R.C. Hanks

TD11,984

30

TD12,780

TD10,442

J.E. Stokes
H. Youngblood
TD10,490

J. E. Stokes

P. Carter

J. Wilmoth

J. L. Hamon & R. Lowe

Atl.-Rich.

Hilliard O & G

Hilliard

Ashmun & Hilliard

J. L. Hamon & Union

TD12,675

TD10,431

TD10,500

TD12,668

TD12,855

Eidson Ranch Inc.

Eidson Ranch Inc.

State

State

Mobil

34



35

R - 35-E

36

R-36-E

31