

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

August 4, 1964

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Y  
Skelly Oil Company  
P.O. Box 1650  
Tulsa 2, Oklahoma

Attention: Mr. George W. Selinger

Administrative Order ELC-11

Gentlemen:

Reference is made to your letter dated July 21, 1964, wherein you request authority to commingle West Dollarhide Drinkard, Fusselman, and Ellenburger production on your Mexico "J" and "L" Leases comprising the S/2 of Section 32, Township 24 South, Range 38 East, and the N/2 of Section 5, Township 25 South, Range 38 East, respectively, Lea County, New Mexico, after separately metering the production from each pool. It is our understanding that the ownership of each lease is identical throughout and that the production will be allocated to the respective leases on the basis of periodic tests.

Pursuant to the authority granted me under the provisions of Rules 303 (b) and 309-B of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools and leases in the above-described manner. Provided however, that the installation shall be operated in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. You are also requested to notify the Hobbs District Office of the Commission at such time as the installation is complete in order that an inspection may be made of the installation prior to putting it in use.

Very truly yours,

A. L. Porter, Jr.  
Secretary-Director

ALP:DSN:sg

cc: Oil Conservation Commission - Hobbs  
Oil & Gas Engineering Committee - Hobbs  
Oil & Gas Accounting Commission - Santa Fe  
State Land Office - Santa Fe

P. S. By carbon copy of this letter we are forwarding to the Hobbs District Office of the Oil Conservation Commission your application for approval of the automatic custody transfer equipment to be used in this installation.



PLC-11

RECEIVED

JUL 21 1964 7:45

# SKELLY OIL COMPANY

P. O. Box 1650  
TULSA 2, OKLAHOMA

## PRODUCTION DEPARTMENT

- C. L. BLACKSHER, VICE PRESIDENT
- W. P. WHITMORE, MGR. PRODUCTION
- W. D. CARSON, MGR. TECHNICAL SERVICES
- ROBERT G. HILTZ, MGR. JOINT OPERATIONS
- GEORGE W. SELINGER, MGR. CONSERVATION

July 21, 1964

*[Handwritten signature and scribbles]*

*[Handwritten signature]*

Mr. A. L. Porter, Jr.  
 Oil Conservation Commission  
 P. O. Box 2088  
 Santa Fe, New Mexico 87501

Dear Mr. Porter:

We are attaching, in quadruplicate, application for administrative approval for an exception to Rule 303 to permit the commingling of the West Dollarhide Drinkard, Fusselman and Ellenburger on our Mexico "J" and "L" leases. In connection with this application we are attaching Exhibit No. 1, a plat of the Mexico "J" and "L" leases showing the wells in the Drinkard, Fusselman and Ellenburger zones, flow lines, and proposed location of commingling site; along with Exhibit No. 2, schematic drawing of commingling system.

We are also attaching, in quadruplicate, for your approval Form C-106 - Notice of Intention to Utilize Automatic Custody Transfer Equipment, along with schematic drawing of proposed LACT equipment and specification for the lease automatic custody transfer unit.

By carbon copy of this letter we are furnishing the above-named information to the State Land Commissioner and Texas-New Mexico Pipeline Company, requesting that they advise you direct their approval.

Yours very truly,

*George W. Selinger*

NPM:br  
Attach.

cc-Mr. E. S. Walker, State Land Commissioner,  
 P. O. Box 791, Santa Fe, New Mexico  
 Texas-New Mexico Pipeline Company, P. O. Box 1510,  
 Midland, Texas - Attn: Mr. Fred Ashfud



MAIN OFFICE OCC

# SKELLY OIL COMPANY

P.O. Box 730, Hobbs, New Mexico  
June 26, 1964

1964 JUL 24 AM 7 45

Re: APPLICATION OF SKELLY OIL COMPANY  
FOR ADMINISTRATIVE APPROVAL OF AN  
EXCEPTION TO RULE 303 SO AS TO PER-  
MIT COMMINGLING OF WEST DOLLARHIDE  
DRINKARD, FUSSELMAN AND ELLENBURGER  
PRODUCTION ON COMPANY'S MEXICO "J"  
AND "L" LEASES, LEA COUNTY, NEW  
MEXICO, INTO ONE COMMON STORAGE  
FACILITY.

New Mexico Oil Conservation Commission  
P.O. Box 871  
Santa Fe, New Mexico

Gentlemen:

Skelly Oil Company herein makes application for administrative approval of an exception to Rule 303 to permit the commingling of similar crudes of the West Dollarhide Drinkard, Fusselman and Ellenburger on Company's Mexico "J" and "L" Leases.

In support of this application Skelly states the following:

1. That the applicant is the operator of its Mexico "J" Lease, S/2 Section 32-T24S-R38E and its Mexico "L" Lease, N/2 Section 5-T25S-R38E, Lea County, New Mexico.
2. That the attached Exhibit No. 1 is a plat of the Mexico "J" and "L" Leases, the wells in the Drinkard, Fusselman and Ellenburger zones flow lines and proposed location of commingling site.
3. That the working interests and royalty ownership under the above described leases is the same.
4. That the applicant proposes to commingle the production from all the wells, on both leases, producing from the West Dollarhide Drinkard, Fusselman and Ellenburger into one common storage facility as shown on Exhibit No. 2.
5. That the producing properties of the leases are as follows:

Zone	Number of Wells	Daily Production			Oil	Price of Oil
		BOPD	BWPD	MCFPD	Gravity @60°	\$/bbl.
Ellenburger	5	273	895	241	42.5	3.01
Fusselman	8	429	526	102	41.5	3.01
Drinkard "J"	8	184	3	960	32.9	2.85
Drinkard "L"	8	87	13	652	34.1	2.89
	<u>29</u>	<u>973</u>	<u>1437</u>	<u>1955</u>		

June 26, 1964

Commingled gravity is estimated to be 39.5 degrees worth \$2.99/bbl. The up-grading of the gravities would increase the monthly income from these leases.

6. That the production from each zone will be accurately metered prior to being commingled.
7. That this commingling system will be installed and operated in accordance with OCC's "Manual For Installation and Operation of Commingling Facilities".
8. That two of the wells to be commingled are at top allowable - Mexico "L" No. 11 and 24 (Fusselman Zone) and that none of the other wells are top allowable wells restricted by GOR.

Applicant further requests that the production be allocated in accordance with individual well tests to be taken every 6 months.

Respectfully submitted  
SKELLY OIL COMPANY



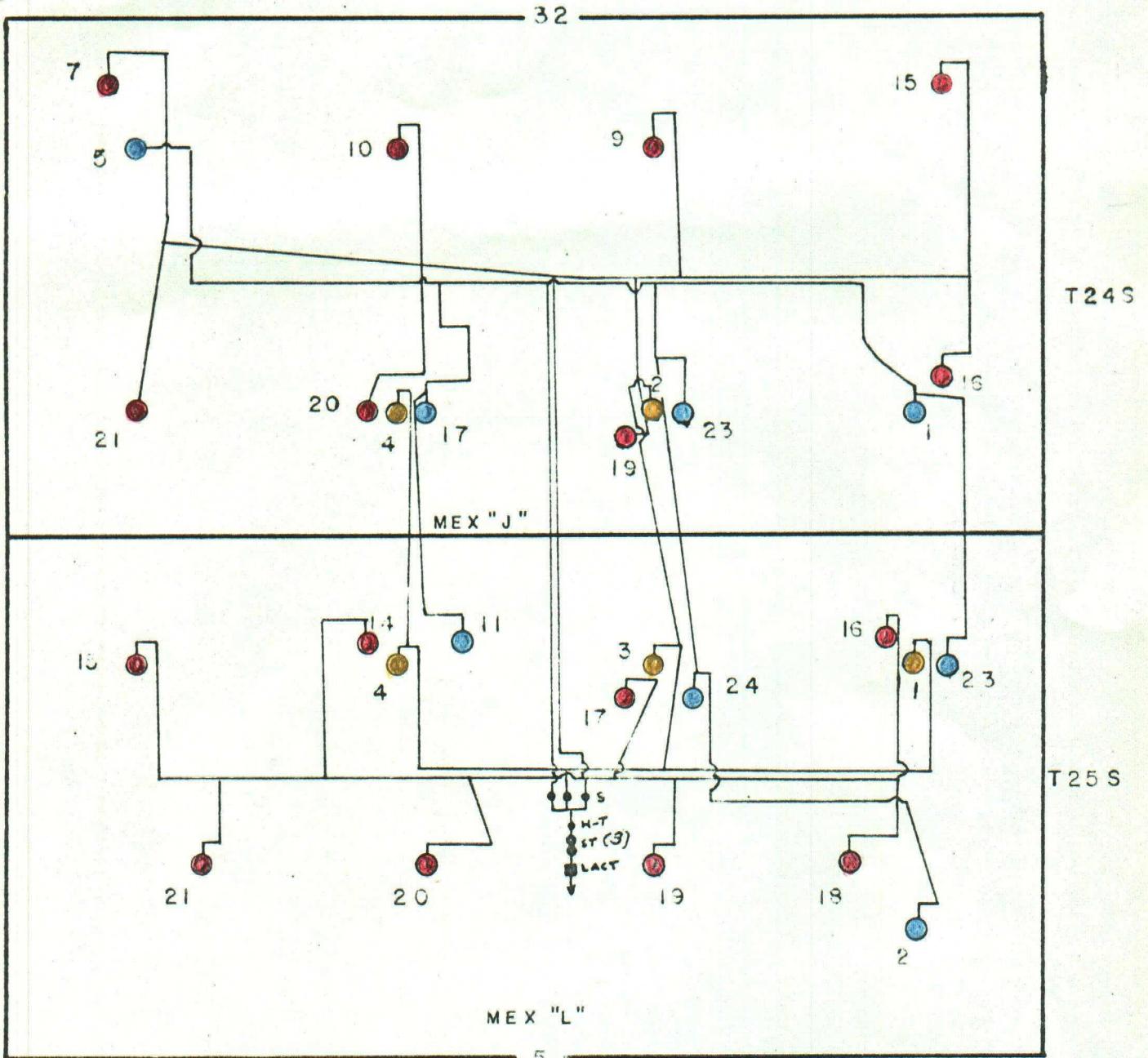
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H. E. Aab, District Superintendent

WEST DOLLARHIDE FIELD

MEXICO "J & L" LEASES

COMMINGLING SYSTEM

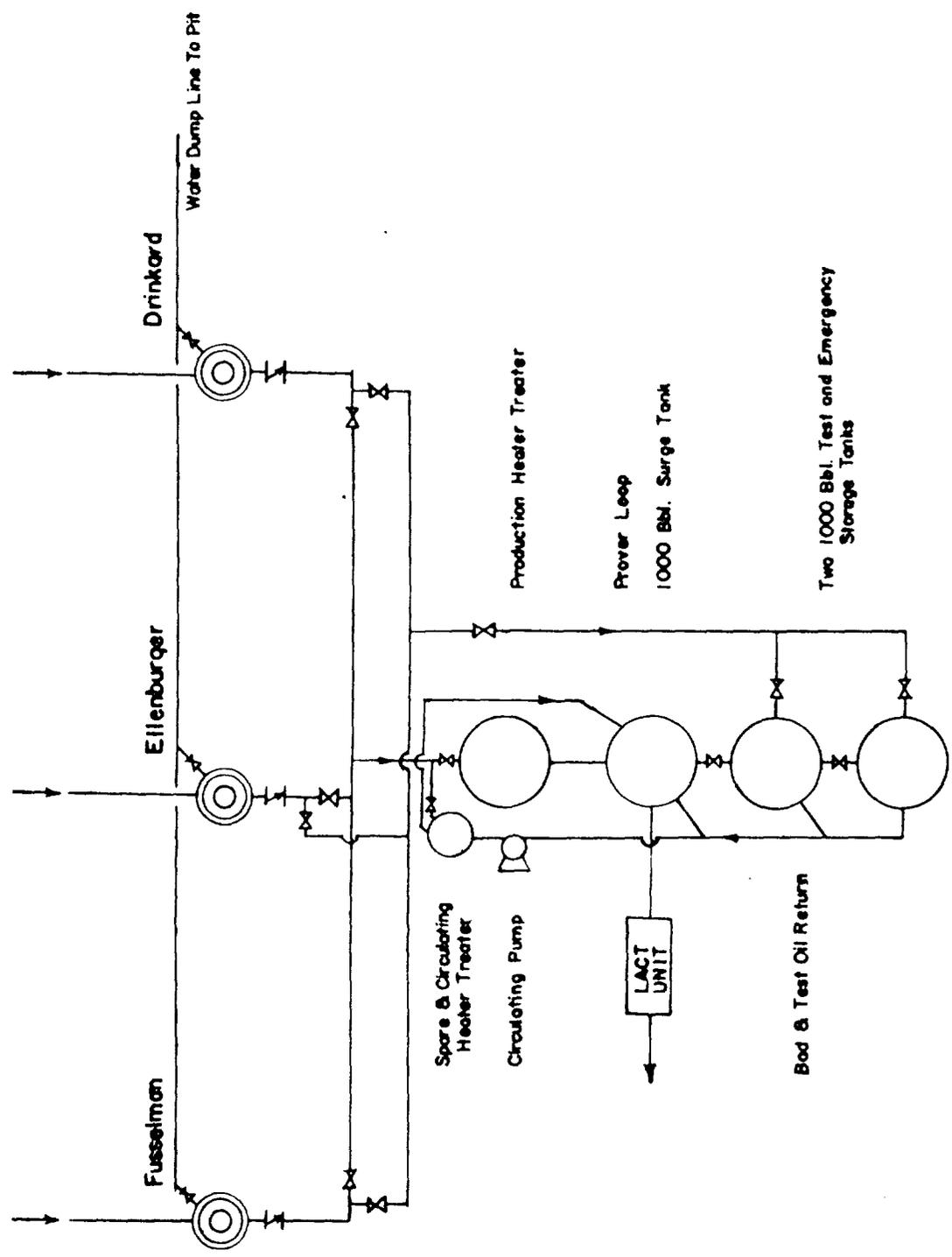


R38E

- WEST DOLLARHIDE DRINKARD
- WEST DOLLARHIDE FUSSELMAN
- WEST DOLLARHIDE ELLENBURGER

**SCHEMATIC DRAWING OF COMMINGLING SYSTEM**  
**MEXICO J & L LEASES**

OCC - Exhibit No. 2



-  Three Phase Metering Separator
-  Valve
-  Pump

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July 19, 1964

Shelly Oil Company  
P.O. Box 1650  
Tulsa 2, Oklahoma

Request to Connie  
Production from  
W. L. Linn and Eikenburger  
Wells on Section "3" & "4"  
Tracts 35-213-30 and  
3-108-30, Itta Bena County

Gentlemen:

Your request for the above is granted from this office  
subject to approval by the Conservation Commission

Also the Commissioner of Public Lands reserves the right  
to amend or withdraw this approval if you fail to comply  
with Rule 909-A or if the State loses royalty through  
this operation.

Yours very truly,

W. G. SCHMIDT WALKER  
COMMISSIONER OF PUBLIC LANDS

BY:

ROBERTA WALKER  
OIL & GAS DIVISION

ESW/AM/mc

cc: 333  
O & G Acct.

ILLEGIBLE



1964 JUL 21 PM 1 21

# SKELLY OIL COMPANY

P. O. Box 1650  
TULSA 2, OKLAHOMA

PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT

W. P. WHITMORE, MGR. PRODUCTION

W. D. CARSON, MGR. TECHNICAL SERVICES

ROBERT G. HILTZ, MGR. JOINT OPERATIONS

GEORGE W. SELINGER, MGR. CONSERVATION

July 29, 1964

Subject: Commingling and LACT  
Mexico "J" and Mexico "L" Leases  
Lea County, New Mexico

Mr. A. L. Porter, Jr.  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Supplementing our letter of July 21, 1964, requesting administrative approval for an exception to Rule 303 to permit the commingling of the West Dollarhide Drinkard, Fusselman and Ellenburger production on our Mexico "J" and Mexico "L" leases, we are enclosing the original and two copies of a letter from Texas-New Mexico Pipe Line Company indicating their approval of our commingling and LACT installation.

Yours very truly,

*George W. Selinger*

RJJ:br  
Attach.

TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS  
DIVISION MANAGER

U.S. 000  
MIDLAND, TEXAS 79701  
P. O. BOX 1510

July 27, 1964

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Gentlemen:

Skelly Oil Company advises that they intend to make application to the New Mexico Oil Conservation Commission for permission to permanently install and operate a lease automatic custody transfer system to handle the commingled production of the West Dollarhide Drinkard, Fusselman and Ellenburger on their Mexico "J" and "L" Leases, Lea County, New Mexico.

Texas-New Mexico Pipe Line Company gathers the production from these leases and concurs in the operator's application for permanent approval to install and operate this LACT unit.

Yours very truly,

TEXAS-NEW MEXICO PIPE LINE COMPANY

By

  
P. A. Lyons  
Division Manager

PAL-BTK

cc: Skelly Oil Company  
P. O. Box 1650  
Tulsa 2, Oklahoma

TEXAS - NEW MEXICO PIPE LINE COMPANY

P. O. BOX 1510  
MIDLAND, TEXAS 79701

1964 JUL 27 PM 1 27  
JUL 27, 1964

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Gentlemen:

Skelly Oil Company advises that they intend to make application to the New Mexico Oil Conservation Commission for permission to permanently install and operate a lease automatic custody transfer system to handle the commingled production of the West Dollarhide Drinkard, Fusselman and Ellenburger on their Mexico "J" and "L" Leases, Lea County, New Mexico.

Texas-New Mexico Pipe Line Company gathers the production from these leases and concurs in the operator's application for permanent approval to install and operate this LACT unit.

Yours very truly,

TEXAS-NEW MEXICO PIPE LINE COMPANY

By

  
P. A. Lyons  
Division Manager

PAL-BTK

cc: Skelly Oil Company  
P. O. Box 1650  
Tulsa 2, Oklahoma