

Filed June 11, 1957
A.L.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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1250
Order No. R-1006

APPLICATION OF SKELLY OIL COMPANY
FOR PERMISSION TO PRODUCE A MAXIMUM
OF 16 WELLS ON THE SAME BASIC LEASE
IN THE GRAYBURG-JACKSON POOL OF EDDY
COUNTY, NEW MEXICO INTO A COMMON TANK
BATTERY.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 8, 1957, at Santa Fe, New Mexico, before Warren W. Mankin, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 29th day of May, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Warren W. Mankin, 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 is the owner of a federal oil and gas lease known as the Dow "B" which includes Sections 21, 28, and 33, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (3) That at the present time the applicant has completed a total of nine producing oil wells in said Sections 21 and 28 in the Grayburg-Jackson Pool which are being produced into a common tank battery located in the NW/4 of said Section 21.
- (4) That the applicant seeks authority in the subject application to produce a maximum of sixteen (16) Grayburg-Jackson oil wells into the above-described common tank battery.
- (5) That the said tank battery has ample storage capacity to accomodate the wells in question.

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(6) That the applicant should be required to install adequate testing facilities whereby periodic production tests can be obtained on all wells producing into the common tank battery.

(7) That approval of subject application will not cause waste nor impair correlative rights.

(8) That it would create an economic hardship if the applicant were required to erect an additional tank battery on the above-described lease.

IT IS THEREFORE ORDERED:

That the applicant, Skelly Oil Company, be and the same is hereby authorized to produce a maximum of sixteen (16) oil wells completed in the Grayburg-Jackson Pool on its Dow "B" Lease in Sections 21 and 28, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, into a common tank battery located in the NW/4 of said Section 21.

PROVIDED HOWEVER, That the applicant shall install adequate testing facilities whereby periodic production tests can be obtained on all wells producing into the above-described common tank battery.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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

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