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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SKELLY OIL COMPANY FOR AN EXCEPTION
TO RULE 303 TO PERMIT COMINGLING OF
DISTILLATE FROM THE TUBBS GAS POOL
WITH OIL FROM THE DRINKARD POOL UNDER-
LYING THEIR STATE "K" LEASE, LEA COUNTY,
NEW MEXICO.

CASE NO. _____

A P P L I C A T I O N

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 State "K" Lease which
consists of the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 32, Township 21 South, Range 37 East, Lea
County, New Mexico.

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

3. That the Applicant has recently dually completed its State "K"
Well No. 3 as a Tubbs gas well which is also producing a small quantity of
distillate.

4. That the Applicant proposes to comingle production from the above
Tubbs Gas Pool from its State "K" Well No. 3 with Drinkard oil from State
"K" Wells Nos. 3 and 4.

5. That the production from each pool will be separately metered with
positive displacement meters prior to being comingled.

6. That the proposed comingling of the distillate and oil from the
above pools will be in the interest of conservation.

7. That attached hereto marked EXHIBIT "A" and made a part hereof by
reference is a plat which shows the location of the subject wells on Appli-
cant's Lease and on all off-set leases.

8. That attached hereto marked EXHIBIT "B" and made a part hereof

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

Handwritten: Docketed 4-22-59 BT

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1 is a diagrammatic sketch which shows the proposed method of measurement and
2 storage of the oil and distillate produced on Applicant's Lease.

3 WHEREFORE, Applicant prays that this application be set for hearing,
4 that notice be given as required by law, and that upon evidence adduced at
5 the hearing this Commission issue an Order permitting Applicant to comingle
6 the production as is more fully set out in this application.

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Respectfully submitted,

SKELLY OIL COMPANY

BY George W. Selinger
and L. C. White

By  _____