

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1885
Order No. R-1401-A

APPLICATION OF SKELLY OIL COM-
PANY FOR PERMISSION TO COMMINGLE
THE PRODUCTION FROM TWO SEPARATE
POOLS IN LEA COUNTY, NEW MEXICO,
WITHOUT SEPARATE MEASUREMENT

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 27, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 27th day of February, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 and operator of the State "K" lease, which consists of the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to commingle the Tubb Gas Pool distillate and the Drinkard Pool oil produced from the two wells presently completed on the above-described acreage without separately metering the production from each pool.

(4) That both of the wells presently completed in the subject pools on the subject acreage produce relatively small amounts of liquid hydrocarbons.

(5) That because of the small amounts of liquid hydrocarbons produced by the subject wells on the subject acreage, the applicant's request for permission to commingle, without prior

-2-

Case No. 1885
Order No. R-1401-A

metering, should be granted, provided that a monthly test is conducted on the subject wells to determine the individual production from each well.

(6) That approval of the subject application will neither cause waste nor impair correlative rights.

(7) That the ownership in each of the subject pools on the said State "K" lease is common throughout.

(8) That Order No. R-1401, granting authority to commingle the production as herein proposed, but requiring separate metering, should be superseded by the order issued in this case.

IT IS THEREFORE ORDERED:

(1) That Order No. R-1401 be and the same is hereby superseded.

(2) That the applicant be and the same is hereby authorized to commingle the Tubb Gas Pool distillate and the Drinkard Pool oil produced from the two wells presently completed on the State "K" lease which consists of the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, without separately metering the production from each of said pools prior to commingling.

PROVIDED HOWEVER, That if either of the subject wells on the subject acreage shall at any time in the future become capable of producing considerably in excess of its present level of liquid production, the authority granted by this order shall terminate unless the production from each of the two pools is separately metered prior to commingling.

PROVIDED FURTHER, That the applicant shall conduct monthly tests of each of the subject wells to determine the individual production from each zone of each well.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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