

Case 2128

Re: APPLICATION OF SKELLY OIL COMPANY FOR AN EXCEPTION TO RULE 303 TO PERMIT COMMINGLING OF CRUDES FROM THE PENROSE SKELLY OIL POOL AND FROM THE DRINKARD OIL POOL ON APPLICANT'S BAKER "B" LEASE.

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 Baker "B" lease, which consists of the SW/4 and the W/2 of SE/4 of Section 10, Township 22 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 three wells No. 1, 2, and 3 completed in the Penrose Skelly oil pool and five wells No. 6, 7, 8, 9, and 11 completed in the Drinkard oil pool.

4. That applicant proposes to commingle production from wells No. 1, 2, and 3, which are capable of producing approximately 7 1/2 BOPD from the Penrose Skelly oil pool into common tankage with wells No. 6, 7, 8, 9, and 11, which are capable of producing approximately 57 BOPD from the Drinkard oil pool.

*no separate meters*

5. That adequate testing facilities will be installed to enable accurate well testing, thereby, enabling accurate production records by pools to be maintained.

*all marginal*

6. Attached hereto marked EXHIBIT "A" and made a part hereof by reference is a plat which shows the locations of applicant's Baker "B" lease well locations, flow lines, and tank battery locations, and offset operators.

7. That attached hereto marked EXHIBIT "B" and made a part hereof by reference is a diagrammatic sketch, which shows the proposed method of testing and storage of the production produced.

WHEREFORE, applicant prays that this application be set for hearing, that notice be given as required by law, and that upon the evidence adduced the Commission issue an order permitting applicant to commingle its production from the Penrose Skelly and Drinkard oil pool underlying its Baker "B" lease, Lea County, New Mexico, as more fully set out in this application.

SKELLY OIL COMPANY

*Garret W. Leuninger*

*will commingle without separately measuring production.*

DOCKET: EXAMINER HEARING, MONDAY, DECEMBER 12, 1950Oil Conservation Commission - 9 a.m., STATE LAND OFFICE BUILDING, SANTA FE, NM

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, attorney, as alternate examiner:

CASE 2136: Application of Byard Bennett for a non-standard gas proration unit and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks the establishment of an 80-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 NW/4 of Section 24, Township 25 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Ascarte-Federal Well No. 1, located at an unorthodox location at a point 330 feet from the North line and 2310 feet from the West line of said Section 24.

CASE 2137: Application of Caulkins Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West. Said unit is to be dedicated to the D-268 well located in the SE/4 NE/4 of said Section 16.

CASE 2138: Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle without separately measuring the production from the Penrose Skelly and Drinkard Pools from all wells presently completed on its Baker "B" Lease consisting of the SW/4 and the W/2 SE/4 of Section 10, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 2139: Application of Cosden Petroleum Corporation for the promulgation of special rules and regulations governing the South Prairie-Pennsylvanian Pool, Roosevelt County, New Mexico, including a provision for 80-acre oil proration units.

CASE 2140: Application of Humble Oil & Refining Company for approval of the North Kirtland Unit Agreement. Applicant, in the above-styled cause, seeks approval of the North Kirtland Unit Agreement, which unit embraces 11,478 acres of Federal and State land in Township 30 North, Range 14 West, San Juan, New Mexico.

CASE 2141: Application of Honolulu Oil Corporation for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of its McKittrick Canyon Unit Agreement, which unit is to embrace 6708 acres of Federal, State and fee lands in Township 22 South, Ranges 25 and 26 East, Eddy County, New Mexico.

Docket No. 36--60

CASE 2145: Application of Oil Development Company of Texas for off-lease storage of oil. Applicant, in the above-styled cause, seeks an order authorizing it to store the East Crossroads Devonian production from its Santa Fe Pacific Railroad Lease (S/2 SW/4 of Section 19, Township 9 South, Range 37 East) in a separate tank battery to be located on its Santa Fe Pacific Railroad Lease, Crossroads-Devonian Pool (NE/4 of Section 26, Township 9 South, Range 36 East) both in Lea County, New Mexico.

CASE 2146: Application of Humble Oil & Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its D. H. Crockett Well #1, located in Unit C, Section 21, Township 15 South, Range 36 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Caudill-Wolfcamp Pool and the production of oil from the Caudill-Devonian Pool through the annulus between strings of 5½-inch casing and 2½-inch tubing and through 2½-inch tubing, respectively.