

CASE 2284: Application of SKELLY
for an exception to rule 303 (a).
Lea County, New Mexico.

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22-84

Application, Transcript,
and Exhibits, Etc.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

June 14, 1961

Re: CASE NO. 2284

ORDER NO. R-1997

APPLICANT:
Skelly Oil Company

Mr. Charlie White
Gilbert, White & Gilbert
P. O. Box 787
Santa Fe, New Mexico

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, JR.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC

OTHER Mr. George Selinger

**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. 2284
Order No. R-1997**

**APPLICATION OF SHELLEY OIL COMPANY
FOR AN EXCEPTION TO RULE 303 (a),
LEA COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 24, 1961, 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 14th day of June, 1961, 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, Shelley Oil Company, is the owner and operator of the E. A. Sticher Lease, comprising the N/2 SW/4 of Section 4, Township 22 South, Range 37 East, MNPM, Lea County, New Mexico.

(3) That the applicant seeks permission to commingle the oil production from the Hare and Brinkard Pools with the distillate production from the Blinshy and Tubb Gas Pools on the above-described E. A. Sticher Lease, and to allocate the production to each well in each pool on the basis of periodic well tests.

(4) That inasmuch as all wells on the subject lease are marginal in the Hare and Brinkard Pools, approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Shelley Oil Company, is hereby authorized to commingle the oil production from the Hare and Brinkard Pools

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CASE No. 2284
Order No. R-1997

with the distillate production from the Blinabry and Tubb Gas Pools on its E. A. Sticher Lease, consisting of the N/2 SW/4 of Section 4, Township 22 South, Range 37 East, NEPM, Lea County, New Mexico.

PROVIDED HOWEVER, That production shall be allocated to each well in each pool on the basis of quarterly well tests.

PROVIDED FURTHER, That in the event any well on the subject lease becomes capable of producing top allowable in either the Hare or Drinkard Pool, the applicant shall notify the Santa Fe office of the Commission of such fact.

IT IS FURTHER ORDERED:

That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



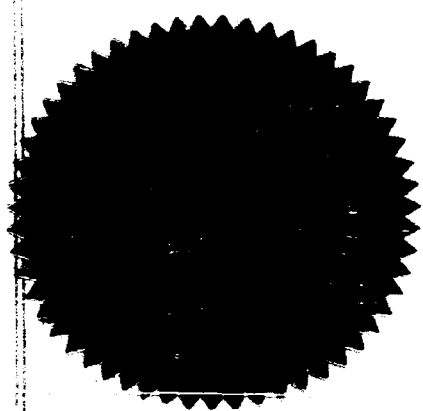
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/

Case 2284

Heard 5-24-61

Rec. 6-6-61

Jutt?

1. Grant Skelly's request for
commingling in exception to Rule
303(a) for all wells on this Ed.
Sticher lease completed in the
Hare (McKee), Klinkard, Blinbury, and
Drinkard.

2. The Blinbury & Jutt at present are
two wells producing distillate.

3. If any oil well on this lease
shall become capable of producing
top allowable oil Co. shall notify the
Comm. & install a meter for this
zone immediately.

Thos A. [Signature]

DOCKET: EXAMINER HEARING - WEDNESDAY, MAY 24, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, examiner, or Daniel S. Nutter, as alternate examiner:

CASES 2291 through 2296 will not be heard before 1:30 p.m.

- CASE 2280: Application of Continental Oil Company for a non-standard gas proration unit and for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 E/2, SW/4 SE/4 and the SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to its Lockhart A-17 Well No. 2, at an unorthodox location 1980 feet from the South line and 660 feet from the East line of said Section 17.
- CASE 2281: Application of Continental Oil Company for an exception to Rule 309 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Maljamar Pool production from all wells presently completed or hereafter drilled on its Taylor Lease, comprising the SW/4 of Section 14, Township 17 South, Range 32 East, Lea County, New Mexico, and on its Federal Miller BX Lease, comprising the E/2 of said Section 14, after separately metering the production from each lease.
- CASE 2282: Application of Continental Oil Company for an amendment of Order No. R-1602. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1602 changing the effective date thereof and making the provisions of said order effective as of March 1, 1960.
- CASE 2283: Application of Skelly Oil Company for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Denton (Devonian) Pool production and the Denton-Wolfcamp Pool production on its Mexico "F" Lease comprising Lots 1, 2, 3, and 4, the SW/4 NE/4 and the SW/4 NW/4 of Section 2, Township 15 South, Range 37 East, Lea County, New Mexico, and to allocate the production to each well in each pool on the basis of periodic well tests.

CASE 2284:

Application of Skelly Oil Company for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the oil production from the Hare and Drinkard Pools with the distillate production from the Blinebry and Tubb Gas Pools on its E. A. Sticher Lease, consisting of the N/2 SW/4 of Section 4, Township 22 South, Range 37 East, Lea County, New Mexico, and to allocate the production to each well in each pool on the basis of periodic well tests.

CASE 2285:

Application of Texaco Inc., for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Tubb Gas Pool for its A. H. Blinebry NCT-1 Well No. 8, located 1980 feet from the North line and 330 feet from the West line of Section 33, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 2286:

Application of Aztec Oil & Gas Company for an exception to Rule 309 (a), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Totah-Gallup Pool production from the following-described leases, all in Township 29 North, Range 13 West, San Juan County, New Mexico.

Federal Lease No. SF 079065 in Sections 19, 20 and 29.

State Lease B-11017-23 comprising in pertinent part the SW/4 NW/4 of Section 20.

State Lease B-11017-21 comprising in pertinent part the NW/4 NW/4 of Section 20.

Smith-Eaton Lease comprising in pertinent part the NE/4 SE/4, SE/4 NE/4 and the E/2 NW/4 of Section 20.

Applicant proposes to commingle said production in a common tank battery located on the SW/4 of said Section 20 after separately metering the production from the State and fee leases only.

CASE 2287:

Application of Aztec Oil & Gas Company for an exception to Rule 309 (a), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Totah-Gallup Pool production from five separate fee leases, all located in Section 18, Township 29 North, Range 13 West, San Juan County, New Mexico.

CASE 2288:

Application of Southwest Production Company for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of two non-standard gas proration units in the Basin-Dakota Gas Pool, San Juan County, New Mexico, described as follows:

(1) W/2 of Section 7, Township 30 North, Range 11 West, except the 3.39-acre tract therein owned by Harold M. Brimhall and Maleta Y. Brimhall, comprising the sum total approximately 327.01 acres.

(2) E/2 of Section 7, Township 30 North, Range 11 West, except the S/2 SW/4 SE/4; comprising in sum total approximately 300 acres.

CASE 2289:

Application of Aspen Crude Purchasing Company for three non-standard oil proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard oil proration units in and adjacent to the Cha Cha-Gallup Oil Pool:

(1) Lot 1 and the S/2 SE/4 of Section 7, Township 28 North, Range 13 West;

(2) Lot 5 and the SE/4 SW/4 of said Section 7; and

(3) Lots 2, 3 and 4 of said Section 7, and 40.81 acres located between said Section 7 and Section 36, Township 29 North, Range 14 West;

all in San Juan County, New Mexico.

CASE 2290:

Application of Aspen Crude Purchasing Company for three non-standard oil proration units and for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard oil proration units adjacent to the Totah-Gallup Oil Pool in Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico:

(1) Lots 1 and 2 and the SE/4 SE/4, comprising 97.78 acres, to be dedicated to a well at a non-standard location 263 feet from the North line and 700 feet from the East line of said Section 11.

CASE 2290: (Cont.)

(2) Lots 3 and 4 and the SW/4 SW/4, comprising 97.58 acres.

(3) SW/4 SE/4 and the SE/4 SW/4, comprising 80 acres.

The following cases will not be heard before 1:30 p.m.

CASE 2291: Application of Pan American Petroleum Corporation for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle, prior to measurement, the Paddock, Brunson and Wantz-Abo pool production from all wells on its Hugh Corrigan Lease, comprising the NE/4 SE/4 of Section 33, Township 21 South, Range 37 East, Lea County, New Mexico, and to allocate production to each well in each pool on the basis of periodic well tests.

CASE 2292: Application of Humble Oil & Refining Company for permission to take interference tests and transfer allowables in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to take interference tests in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, by shutting in its Navajo Tribe "L" Well No. 4, located in the SW/4 SE/4 of Section 26, Township 29 North, Range 14 West, and transferring its allowable to other wells on the same basic lease in such a manner that no well will produce more than 125% of its monthly allowable.

CASE 2293: Application of Great Western Drilling Company for approval of the Grain Queen Unit Agreement, for permission to institute a waterflood project therein, for special rules governing said waterflood project including a provision for special allowables, and for permission to commingle the production from all leases in said unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Grain Queen Unit Agreement, which unit embraces 200 acres of State and fee lands in Township 13 South, Range 32 East, Lea County, New Mexico, described as follows:

CASE 2293: (Cont.)

Section 5: SE/4 NW/4, NE/4 SW/4 and the S/2 SW/4
Section 8: NE/4 NW/4

Applicant further seeks permission to institute a waterflood project in said Grain Queen Unit Area and seeks the promulgation of special rules governing said project including a provision for special allowables. Applicant further seeks permission to commingle the unitized substances produced from all leases in said Grain Queen Unit Area without separate measurement in tanks on each individual lease.

CASE 2294:

Application of El Paso Natural Gas Company for authorization to conduct maximum pressure build-up tests. Applicant, in the above-styled cause, seeks authorization to conduct maximum pressure build-up tests in the Blanco-Mesaverde Gas Pool, the Aztec-Pictured Cliffs Gas Pool, the Ballard-Pictured Cliffs Gas Pool, the Fulcher Kutz-Pictured Cliffs Gas Pool, and the South Blanco-Pictured Cliffs Gas Pool, San Juan and Rio Arriba Counties, New Mexico. Applicant further seeks establishment of special rules governing said tests including a provision authorizing the non-cancellation and/or transfer of allowables from wells to be shut-in in each pool and including a provision allowing substitute tests by administrative approval.

CASE 2295:

Application of Consolidated Oil & Gas, Inc. for a dual completion, a non-standard gas proration unit and for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 325.23-acre non-standard gas proration unit in the Basin-Dakota Gas Pool and in the Blanco-Mesaverde Gas Pool consisting of the S/2 of Section 34, Township 32 North, Range 13 West, San Juan County, New Mexico, said unit to be dedicated to its Robinson Brothers Well No. 1, proposed to be dually completed in said pools at an unorthodox gas well location for said pools at a point 1235 feet from the South line and 760 feet from the East line of said Section 34.

CASE 2296:

Application of Consolidated Oil & Gas Inc., for an order force-pooling a standard 320-acre proration unit in the Basin-Dakota Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 10, Township 31 North, Range 13 West, San Juan County, New Mexico, to form a standard 320-acre gas proration unit.

Re: APPLICATION OF SKELLY OIL
COMPANY FOR AN EXCEPTION TO RULE
303 TO PERMIT COMMINGLING OF
GASES FROM THE HARE (MCKEE) OIL
POOL, DRINKARD OIL POOL, WITH
THE LIQUID PRODUCTION FROM THE
BLINEBRY GAS POOL AND TUBB GAS
POOL ON APPLICANT'S E. A.
STICHER 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 E. A. Sticher lease, which consists of the N/2 SW/4 Section 4, T-22-S, R-37-E, Lea County, New Mexico.
2. That there is no diversity of royalty ownership underlying the above described lease.
3. That the applicant has one well No. 1 completed in the Hare (McKee) oil Pool, two wells No. 2 & 3, completed in the Drinkard oil Pool, a dually completed well No. 4, in the Tubbs Gas Pool and Blinebry Gas Pool.
4. That applicant proposes to commingle production from well No. 1 which is capable of producing approximately 14 BOPD from the Hare (McKee) Pool into common tankage with production from wells No. 2 and 3 which are capable of producing approximately 11 BOPD from the Drinkard oil pool and with the liquid produced from well No. 4 dually completed in the Blinebry Gas Pool and Tubb Gas Pool. Blinebry liquid production averages approximately 3 BOPD and Tubb liquid production averages approximately 2 BOPD.
5. That adequate testing facilities will be installed to enable accurate well testing, thereby enabling accurate production records by pools to be maintained.
6. Attached hereto marked EXHIBIT "1" and made a part hereof by reference is a plat which shows the location of applicant's E. A. Sticher lease, well locations, flow lines, tank battery locations, and offset operators.
7. That attached hereto marked EXHIBIT "2 & 3" and made a part hereof by reference are two diagrammatic sketches, which shows the proposed method of testing and storage of the production produced.

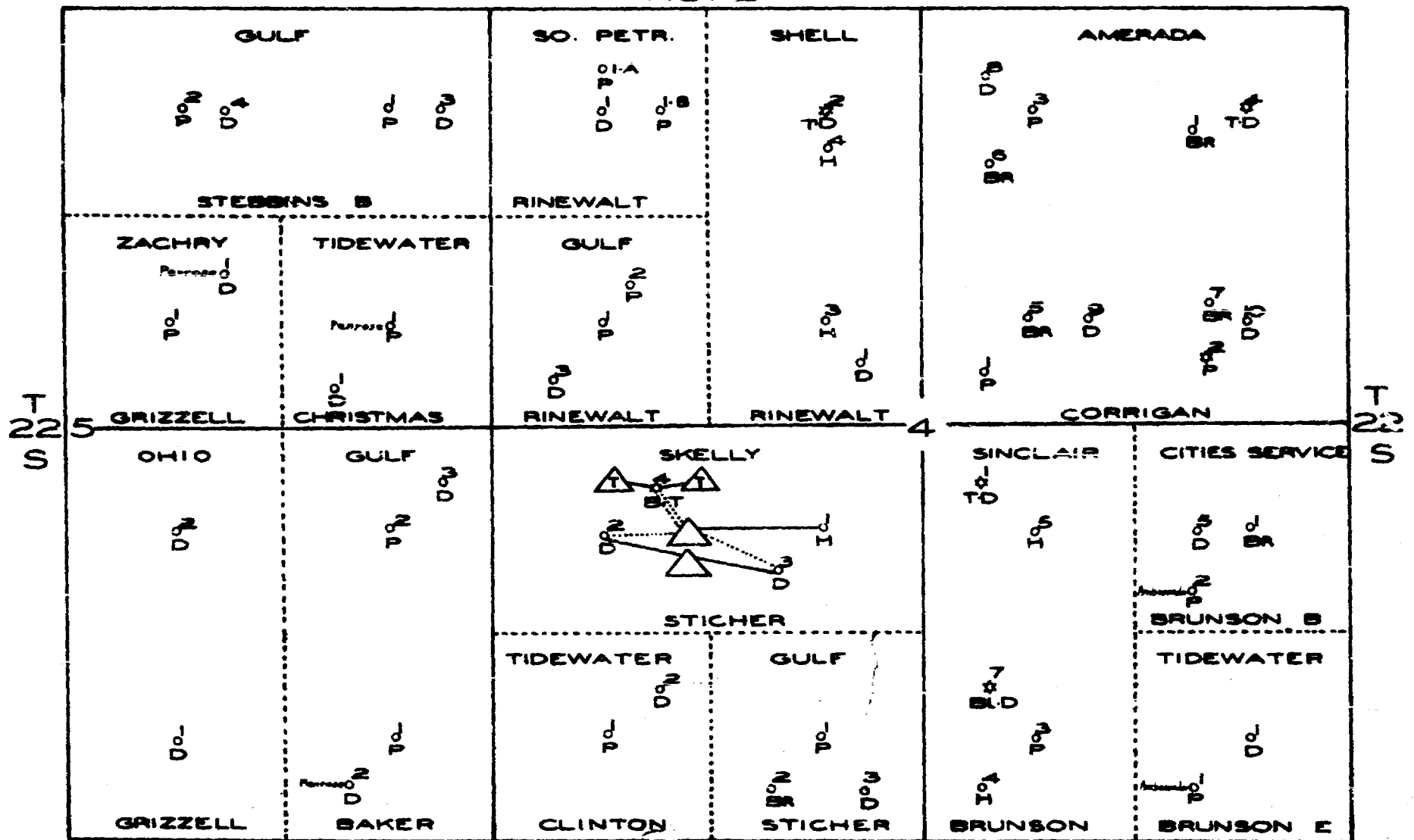
WHEREFORE, applicant prays that this application be set for hearing, that notice be given as required by law, and that upon the evidence adduced the Commission issue an order permitting applicant to commingle its production from the Hare (McKee) Oil pool, Drinkard oil pool, with the liquid production from the Blinebry Gas Pool and Tubb Gas Pool underlying its E. A. Sticher lease, Lea County, New Mexico, as more fully set out in this application.

SKELLY OIL COMPANY

SKELLY OIL COMPANY

EXHIBIT 1

R37E

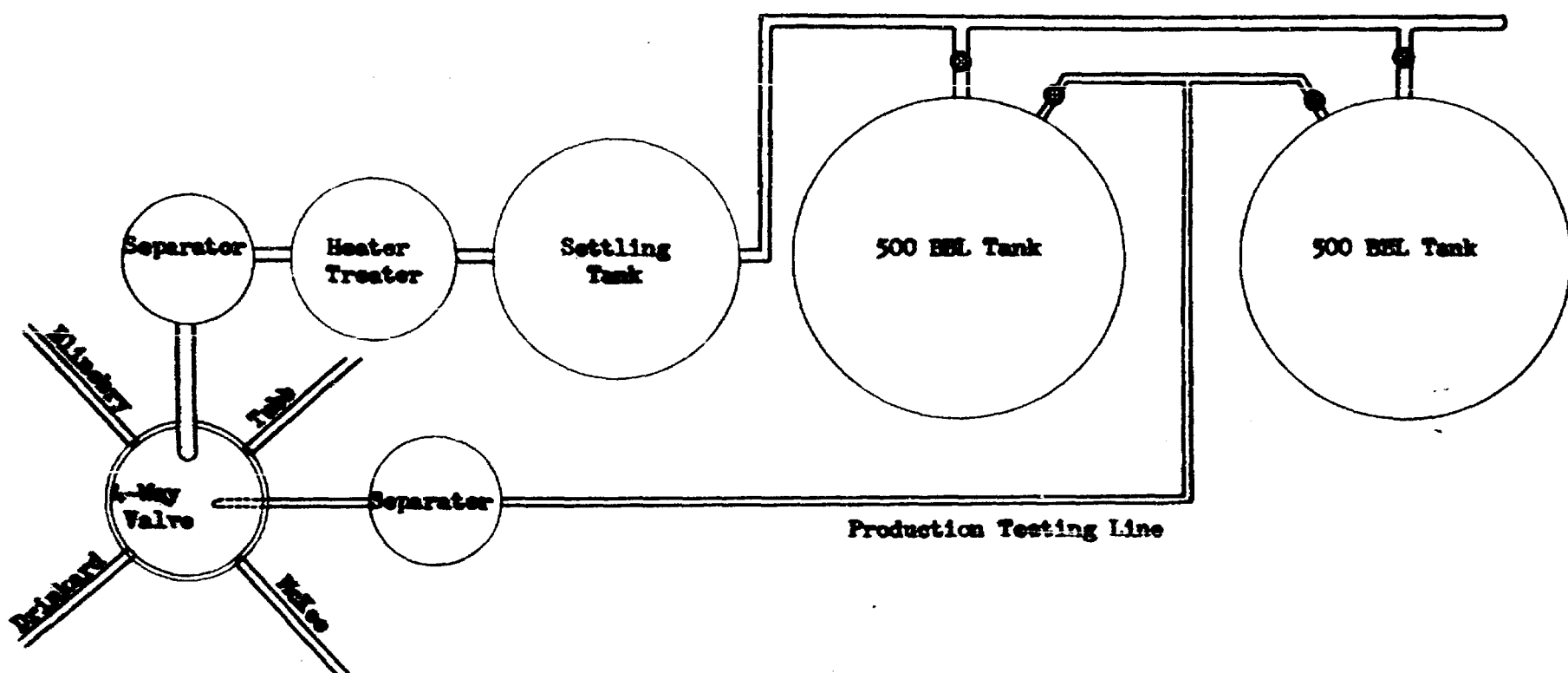


- ② P PENROSE SKELLY
- ② BL BLINERY
- ② T TUBS
- ② D DRINKARD
- ② H HARE
- ② BR BRUNSON

- △ TANK BATTERIES
- PRESENT FLOW LINES
- PROPOSED FLOW LINES
- △ TEST TANK

SCALE 6" = 1 MILE

Case 2284



STRELLY OIL COMPANY
 E. A. Sticher Lease
 Section 4-1228-R37E
 Lea County, New Mexico

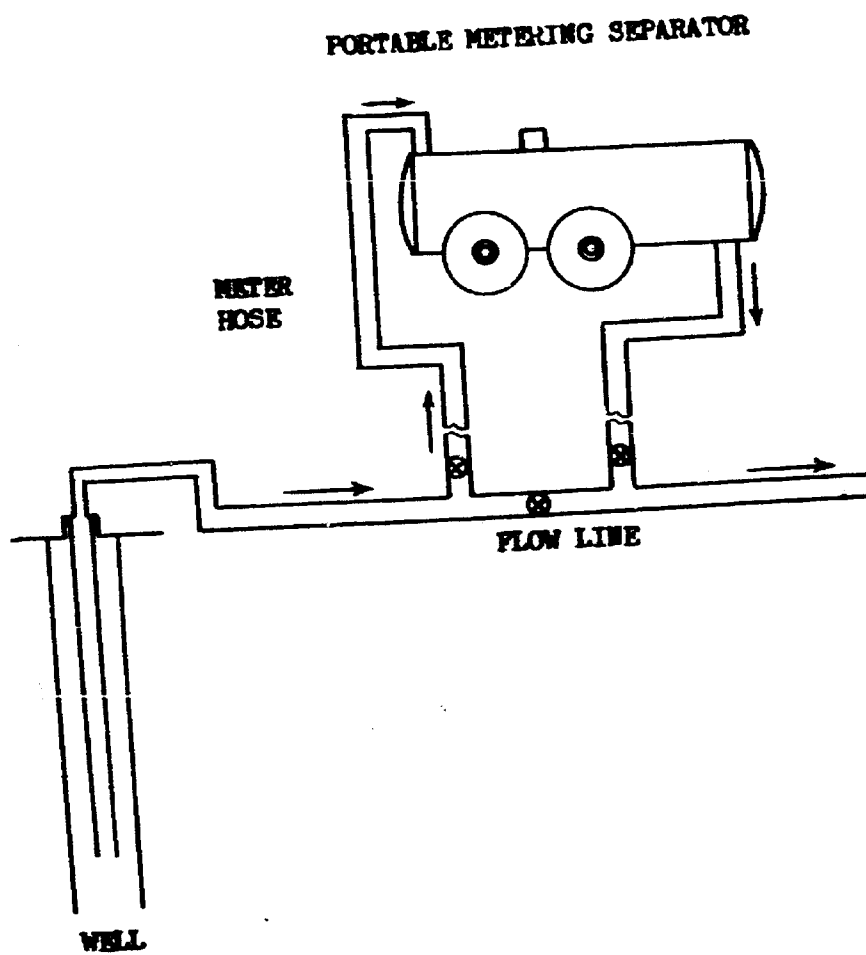
EXHIBIT 2

Case 2284

Case 2284

EXHIBIT 3

PROPOSED WELL TEST FACILITIES



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
May 24, 1961

EXAMINER HEARING

IN THE MATTER OF:

CASE 2284

TRANSCRIPT OF HEARING

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
May 24, 1961

EXAMINER HEARING

IN THE MATTER OF:

CASE 2284 Application of Skelly Oil Company for an excep- :
tion to Rule 303 (a), Lea County, New Mexico. :
Applicant, in the above-styled cause, seeks :
permission to commingle the oil production from :
the Hare and Drinkard Pools with the distillate :
production from the Blinebry and Tubb Gas Pools :
on its E. A. Sticher Lease, consisting of the N/2: :
SW/4 of Section 4, Township 22 South, Range 37 :
East, Lea County, New Mexico, and to allocate :
the production to each well in each pool on the :
basis of periodic well tests. :

BEFORE:

Elvis A. Utz, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: We will call Case No. 2284.

MR. WHITE: Charles White of Gilbert, White & Gilbert,
Santa Fe, New Mexico; and George Salinger, Tulsa, Oklahoma,
appearing on behalf of the Applicant. The same witness will also
testify in this case as in Case No. 2283.

MR. MORRIS: Let the record show that the witness was
sworn in the previous case.

ARTHUR RAY BAUMGARDNER,
called as a witness, having been previously sworn, was examined,

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PHONE CN 3-6691

ALBUQUERQUE, NEW MEXICO



and testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Baumgardner, what does the Applicant seek in the subject application?

A The applicant seeks permission to commingle the oil production from the Hare Pool Drinkard Pool with the production from the Blinebry Gas Tubb Pool on its E. A. Sticher Lease, consisting of the north half of the southwest quarter of Section 4, Township 22 South, Range 37 East, Lea County, New Mexico.

(Whereupon, Applicant's Exhibit 1 marked for identification.)

Q (By Mr. White) Will you refer to Exhibit 1 and explain to the Commission what that is.

A Exhibit 1 is a plat showing the Skelly E. A. Sticher Lease outlined in red with the wells, the present flow line and the present tank batteries and proposed flow lines and also the offset operators.

Q Does it also identify the respective zones where each well is producing?

A I believe it does show the different zones that the wells are producing from.

Q Does it show the present tank batteries and the proposed tank batteries?

A Yes, sir. Wells 2 and 3 are Drinkard wells producing in

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PHONE (IN 3-6691)

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CN 3-6691

ALBUQUERQUE, NEW MEXICO

the bottom tank battery. Well No. 1 is the Hare Pool well which is producing into the middle tank battery. Well No. 4 is a dual completion gas well in the Blinebry Tubb Gas Pool and the proposed flow lines are shown as dotted lines.

(Whereupon, Applicant's Exhibit 2 marked for identification.)

Q (By Mr. White) Now refer to Exhibit 2 and explain that exhibit to the Examiner.

A Exhibit No. 2 is the proposed tank battery facilities for the E. A. Sticher Lease with the four-way valve with the production coming into the four-way valve from four different pays. The production is commingled and sent through the separator, heater treater, settling tank into the storage tank. With the four-way valve, one well can be put on test, one zone can be put on test at any specified interval and into the separator and then into the other stock tank. The four-way valve will allow any zone to be tested at any time. You can get production from the other three zones commingled diverted into the other test tanks.

MR. UTZ: Is that metering separator on the test lines?

THE WITNESS: No. We'll get the exact production by going into the tank that is not being used for production and measuring it with a gauge line.

(Whereupon, Applicant's Exhibit 3 marked for identification.)

Q (By Mr. White) Will you refer to Exhibit No. 3 and explain your portable metering separator.



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ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6491

A It will be used on wells 2 and 3. Wells Nos. 2 and 3 are Drinkard wells. They're two Drinkard wells which will be necessary to meter separately at the well head. Other wells will be tested through the tank battery connection since there's only one well from each other productive zone.

Q Where will it be hooked?

A At the well head, either well 2 or 3.

Q How often do you test?

A A minimum of once a month. However, we prefer to test quarterly.

Q Would you give us the production history of the well, please?

A Well No. 1 from the Hare Pool -- this is April production -- produced 344 barrels of oil per month, 17 barrels of water, 940 MCF of gas. Well No. 2 from the Drinkard during the month of April produced 200 barrels oil, 11 barrels water, 961 MCF gas.

MR. UTZ: Will you give the oil on that?

THE WITNESS: 200 barrels.

A Well No. 3, 235 barrels of oil, 8 water, 2041 MCF gas. Well No. 4, the Blinebry, produced 97 barrels distillate, no water, 3,960 MCF gas; and the Tubb produced no oil, no water, and only 378 MCF gas. The reason the Tubb did not produce any oil was that the well had a Parker Leakage Test taken during the month and the well was never opened up. It is a gas well in the Permian Basin.

MR. UTZ: How much liquid does it usually produce?



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PHONE CH 3-4691

THE WITNESS: On an average, two barrels of oil per day during the previous months that we have had it on production.

Q (By Mr. White) Are any of these wells capable of making top allowable?

A No, the Blinebry and Tubbs have no oil allowable. They produce the amount of distillate to obtain the gas allowables. The Tubb is capable of producing the gas allowable. The Blinebry is not capable of producing its gas allowable. The other three wells cannot produce their top allowable.

Q What are the crude characterisitcs?

A The Hare Pool is 40 degree gravity, the Drinkard is 37.3, the Blinebry is 41, the Tubb is 47.6. We have contacted the Sinclair Purchasing Company to purchase its oil through Texas-New Mexico and they have agreed due to the small amount of production involved -- they have agreed to purchase the crude. The additional income from the crude will be approximately 60 cents a day. The commingling of the gravity will be a considerable savings in evaporation loss and especially on the Tubb distillate and the well will produce approximately 60 to 80 barrels a month for which you'd have to have a very small tank to handle this production and by commingling this, we'll run a tank, I believe, in approximately eleven days, something thereabouts.

Q What other advantage is there to this proposed commingling?

A There will also be an economic advantage. If we can produce the amount of tankage thereby reducing the operating cost and



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ALBUQUERQUE, NEW MEXICO
PHONE CK 3-6691

produce these wells at a lower production period due to the small amount of overhead.

Q Is there any other testimony you wish to offer at this time?

A No, I believe that's all.

MR. WHITE: We offer Exhibits 1, 2, and 3.

MR. UTZ: Without objection, Exhibits 1 through 3 will be entered into the record.

MR. WHITE: That concludes our testimony.

MR. UTZ:

Q Mr. Baumgardner, what would the top allowable be for your Hare well, either on a daily or monthly basis, if you have it. Did you say it was below five thousand?

A Yes, sir.

Q Did you say five thousand?

A Yes, it's below five thousand; it's eighty barrels a day.

Q And the Drinkard?

A Sixty-one.

Q These wells are quite marginal?

A Yes, sir.

MR. UTZ: Are there any other questions of the witness?

MR. MORRIS: I have no questions.

MR. UTZ: The witness may be excused.

Are there any other statements in this case?

The case will be taken under advisement.



At this time, we will take a ten minute recess.

(Recess taken.)

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, THOMAS F. HORNE, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 12th day of June, 1961 in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Thomas F. Horne
NOTARY PUBLIC

My Commission expires:

May 4, 1965

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2-284, heard by me on May 24, 1961.

James R. Dyer, Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

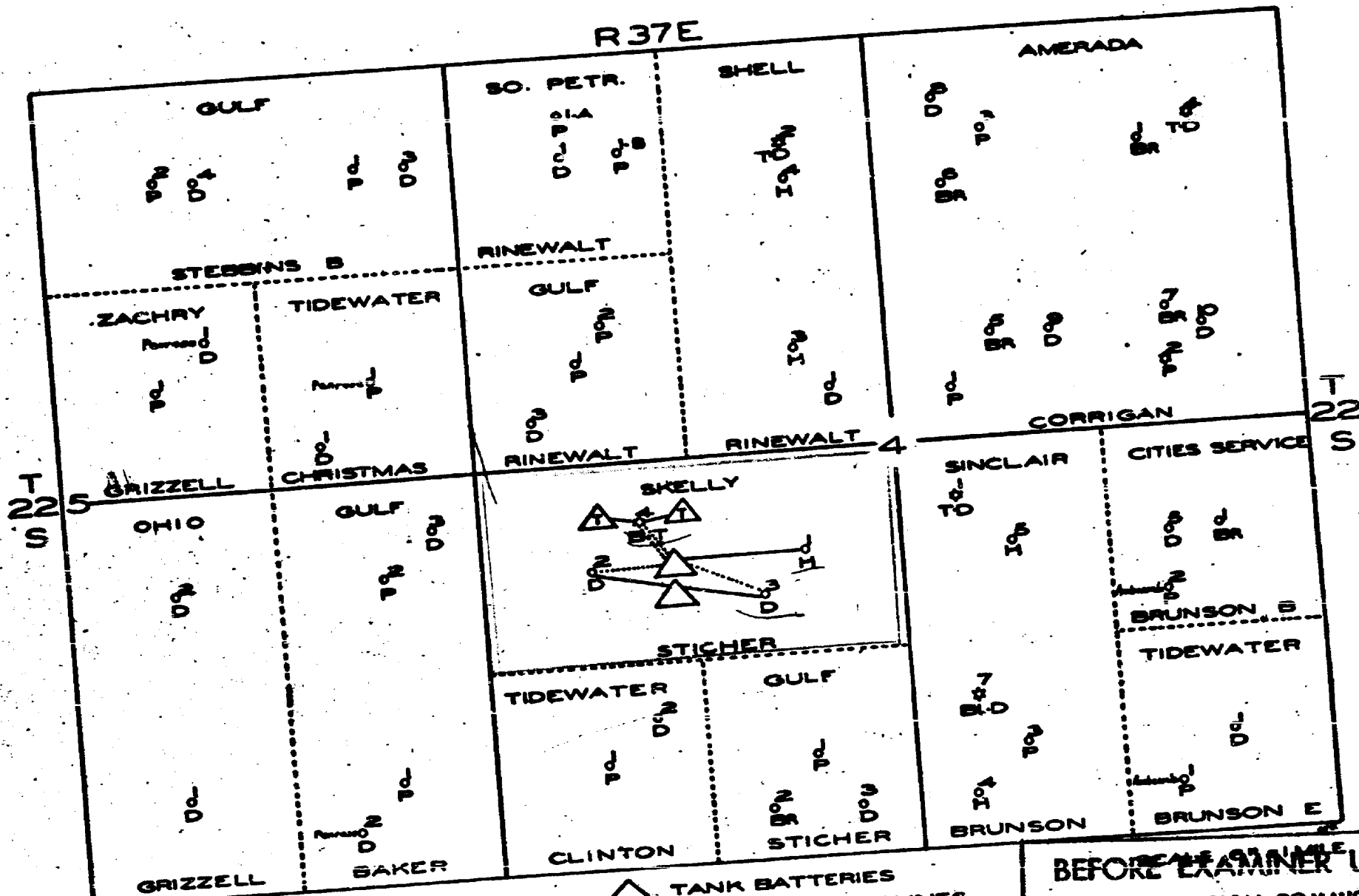
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ALBUQUERQUE, NEW MEXICO



SKELLY OIL COMPANY

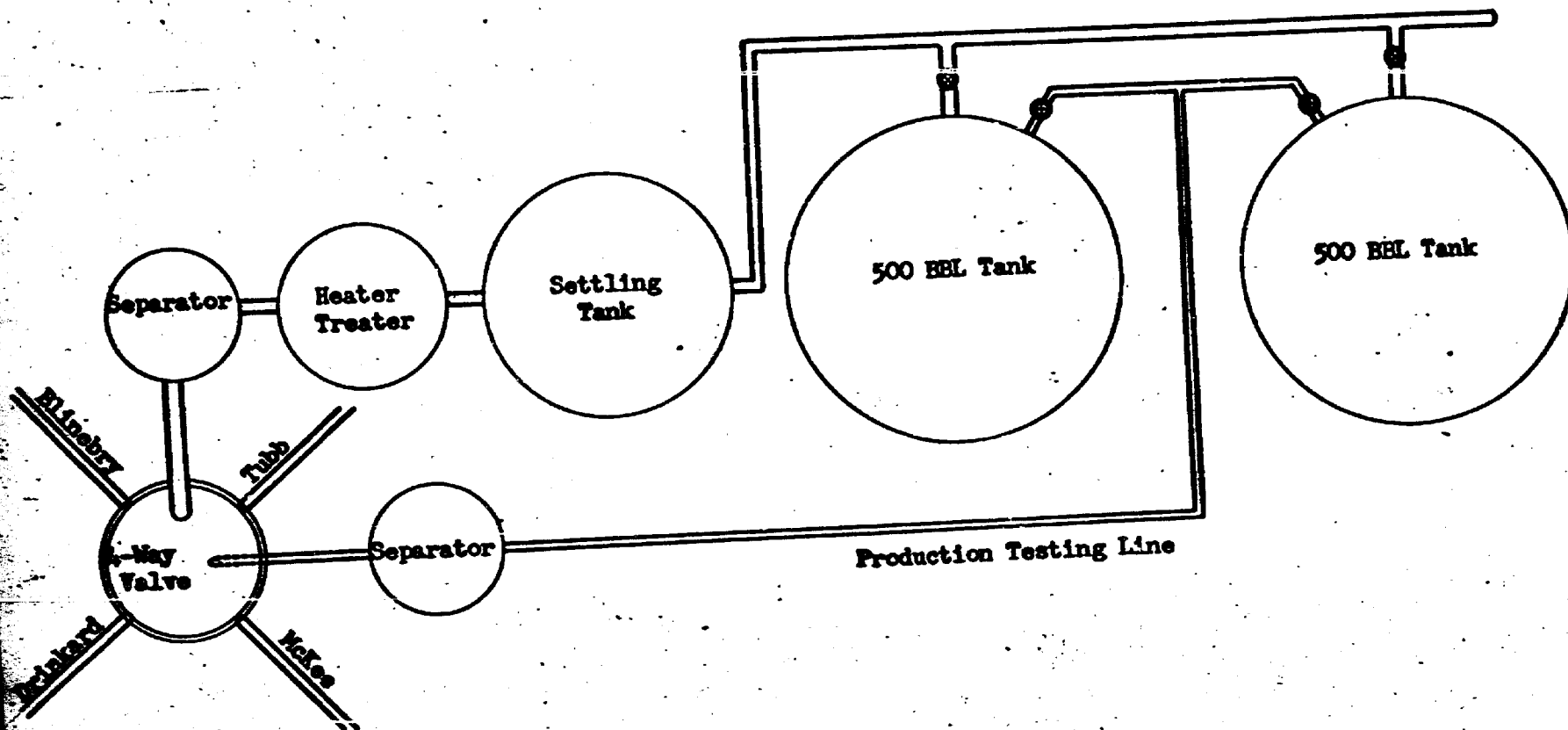
EXHIBIT 1



- 2 P PENROSE SKELLY
- 2 BL LINEBRY
- 0 T TUBS
- 2 D DRINKARD
- 2 H HARE
- 2 BR BRUNSON

- △ TANK BATTERIES
- PRESENT FLOW LINES
- - - PROPOSED FLOW LINES
- △ TEST TANK

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 2284



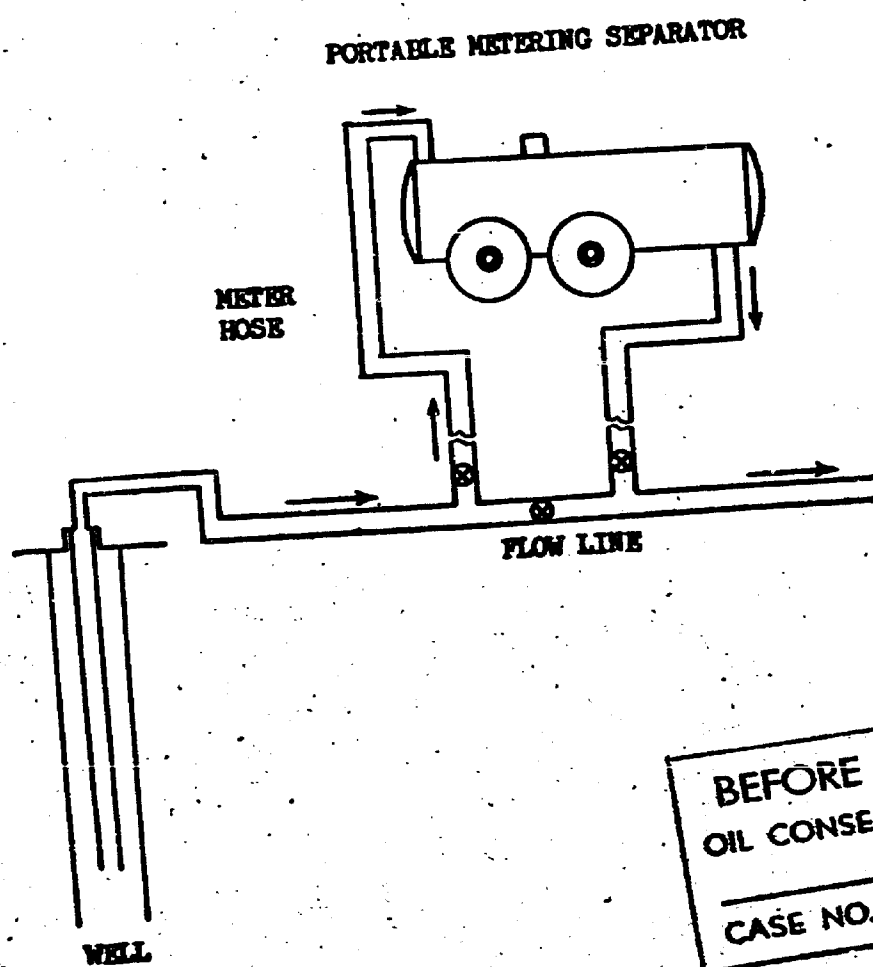
SKELLY OIL COMPANY
 E. A. Sticher Lease
 Section 4-T22S-R37E
 Lea County, New Mexico

BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 2
 CASE NO. 2284

EXHIBIT 2

EXHIBIT 3

PROPOSED WELL TEST FACILITIES



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 2284