

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

August 5, 1974

Skelly Oil Company
P.O. Box 1351
Midland, Texas 79701

Attention: Mr. F. L. Franz

Administrative Order No. DHC-146

Well Names & Nos: Hobbs "A" Wells No. 6
and No. 7

Location: Units E & D, Section 30,
Township 25 South, Range 38 East,
NMPM, Lea County, New Mexico

Pools: Justis Blinebry and Justis Tubb-Drinkard

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Commission Rules and Regulations for the subject dually completed wells to permit the removal of the down-hole separation equipment and to commingle the production from both pools in the well-bores.

It appearing that the subject wells qualify for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such down-hole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and Commission Order Nos. R-1402-A and DC-825 which authorized the dual completions and required separation of the zones, are hereby placed in abeyance.

In accordance with the provisions of Rule 303-C, total commingled oil production from each of the subject wells shall not exceed 30 barrels per day, and total water production from each well shall not exceed 60 barrels per day. The maximum amount of gas which may be produced daily from each well shall be determined by multiplying 6000 by top unit allowable for the Justis Tubb-Drinkard Pool.

Assignment of allowable to the wells and allocation of production from each well shall be on the following basis:

Hobbs "A" Well No. 6

Upper Pool: 70%

Lower Pool: 30%

OIL - CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

-2-

Skelly Oil Company
August 5, 1974

Hobbs "A" Well No. 7

Upper Pool: 46%

Lower Pool: 54%

Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Secretary-Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/CU/jr