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

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 SIMILAR CRUDES OF THE
JUSTIS, ELLENBURGER, MCKEE, FUSSELMAN,
MONTOYA AND BLINEBRY POOLS WHICH MAY
BE ENCOUNTERED ON APPLICANT'S HOBBS
"A" LEASE.

Case No.

APPLICATION

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 Hobbs "A" Lease which consists of the NW_{4}^{1} of Section 30, Township 25 South, Range 38 East, Lea County, New Mexico.
- 2. That there is no diversity of royalty ownership underlying the above described Lease.
- 3. Applicant is presently drilling its Hobbs "A" Well No. 5 at a location 330 feet from the North and West lines of the above mentioned Section 30 which is scheduled to be completed in the Justis Ellenburger and Justis McKee Pools.
- 4. That it is anticipated by applicant that production may be encountered on the aforesaid Lease from the Justis Ellenburger, McKee, Fusselman, Montoya and Blinebry Pools.
- 5. That applicant proposes to comingle the production obtained from the foregoing five Pools into common tankage and by so doing the production from each pool will be separately metered with positive displacement meters prior to such comingling.
- 6. Attached hereto marked EXHIBIT "A" and made a part hereof by reference is a plat which shows the location of applicant's Hopbs "A" Well

No. 5 on the subject Lease and the names of all off-set operators.

7. That attached hereto marked EXHIBIT "B" and made a part hereof by reference is a diagramatic sketch which shows the proposed method of measurement 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 comingle its production from the Justis Ellenburger, McKee, Fusselman, Montoya and Blinebry Pools underlying its Hobbs "A" Lease, Lea County, New Mexico, as more fully set out in this application.

SKELLY OIL COMPANY

One of Its Attorneys