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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN RE THE MATTER OF THE APPLICATION)
OF SKELLY OIL COMPANY FOR AN EX-)
CEPTION TO RULE 303 TO PERMIT COMM-)
INGLING OF CRUDES FROM THE LANGLIE-)
MATTIX OIL POOL AND FROM AN UNDE-)
SIGNATED BLINEBRY OIL POOL ON APP-)
LICANT'S R. R. SIMS LEASE.)

Case No. 1754

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 R. R. Sims Lease, which
consists of the W/2 SW/4 and NE/4 SW/4 Section 3, Township 23 South, Range
37 East, Lea County, New Mexico.

2. That there is no diversity of royalty ownership underlying the
above described lease.

3. Applicant has recently recompleted its R. R. Sims Well No. 7, lo-
cated 2200' from the south and west lines of said Section 3, as an oil well
in an undesignated Blinebry Oil Pool and said well is capable of producing
around 10 BOPD.

4. That applicant proposes to commingle production from Well No. 7 into
common tankage with Wells Nos. 2, 5 and 6, which are capable of producing
around 9 BOPD from the Langlie-Mattix Oil Pool.

5. That in view of the smallness of production from each pool far be-
low the top per well allowable and the cost of installing a separate tank
battery for each pool or a separate metering, it would be so greatly dis-
proportionate to the revenue produced by said well as to work an undue
financial hardship.

6. That adequate periodic testing will be undertaken enabling accurate

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1 production records by pools to be maintained.

2 7. Attached hereto marked Exhibit "A" and made a part hereof by refer-
3 ence is a plat which shows the location of applicant's R. R. Sims Lease, well
4 locations, flow lines and tank battery location, and offset operators.

5 8. That attached hereto marked Exhibit "B" and made a part hereof by
6 reference is a diagramatic sketch, which shows the proposed method of test-
7 ing and storage of the production produced.

8 9. That the Commission should permit hereafter such commingling in the
9 two above mentioned pools by operators without the necessity of a hearing but
10 by administrative approval from the Director upon the filing of certain nec-
11 essary and required information and the giving of notice to all operators or
12 owners of leases offsetting the tract upon which the wells are located.

13 WHEREFORE, applicant prays that this application be set for hearing, that
14 notice be given as required by law, and that upon the evidence adduced the
15 Commission issue an Order permitting applicant to commingle its production
16 from the Langlie-Mattix and undesignated Blinebry Oil Pool underlying its
17 R. R. Sims Lease, Lea County, New Mexico, as more fully set out in this app-
18 lication, and to provide for administrative approval upon certain require-
19 ments of wells hereafter completed in these two pools.

20 SKELLY OIL COMPANY

21 BY GEORGE W. SELINGER

22 BY *L. C. White*

23 L. C. White

24 *not necessary*