

7-283

Re: APPLICATION OF SKELLY OIL
COMPANY FOR AN EXCEPTION TO
RULE 303 TO PERMIT COMMINGLING
OF CRUDES FROM THE DENTON
(DEVONIAN) OIL POOL AND DENTON
WOLFCAMP OIL POOL ON APPLI-
CANT'S MEXICO "F" 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 Mexico "F" Lease, which consists of Lots 1, 2, 3, & 4, SW/4 NE/4 and SW/4 NW/4 Section 2, Township 15 South, Range 37 East.

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

3. That the applicant has six wells No. 1, 2, 3, 4, 5, and 10 completed in the Denton (Devonian) oil pool, six wells No. 6, 7, 8, 9, 11, and 12 completed in the Denton Wolfcamp oil pool.

4. That applicant proposes to commingle production from wells No. 6, 7, 8, 9, 11, and 12, which are capable of producing approximately 155 BOPD from the Denton Wolfcamp oil pool into common tankage with wells No. 1, 2, 3, 4, 5, and 10, which are capable of producing approximately 800 BOPD from the Denton (Devonian) oil pool

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

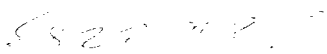
6. Attached hereto marked EXHIBIT "1" and made a part hereof by reference is a plat which shows the location of applicant's Mexico "F" lease well locations, flow lines, and tank battery locations, and offset operators.

7. That attached hereto marked EXHIBIT "2" 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 Denton Wolfcamp and Denton (Devonian) oil pools underlying its Mexico "F" lease, Lea County, New Mexico, as more fully set out in this application.

SKELLY OIL COMPANY

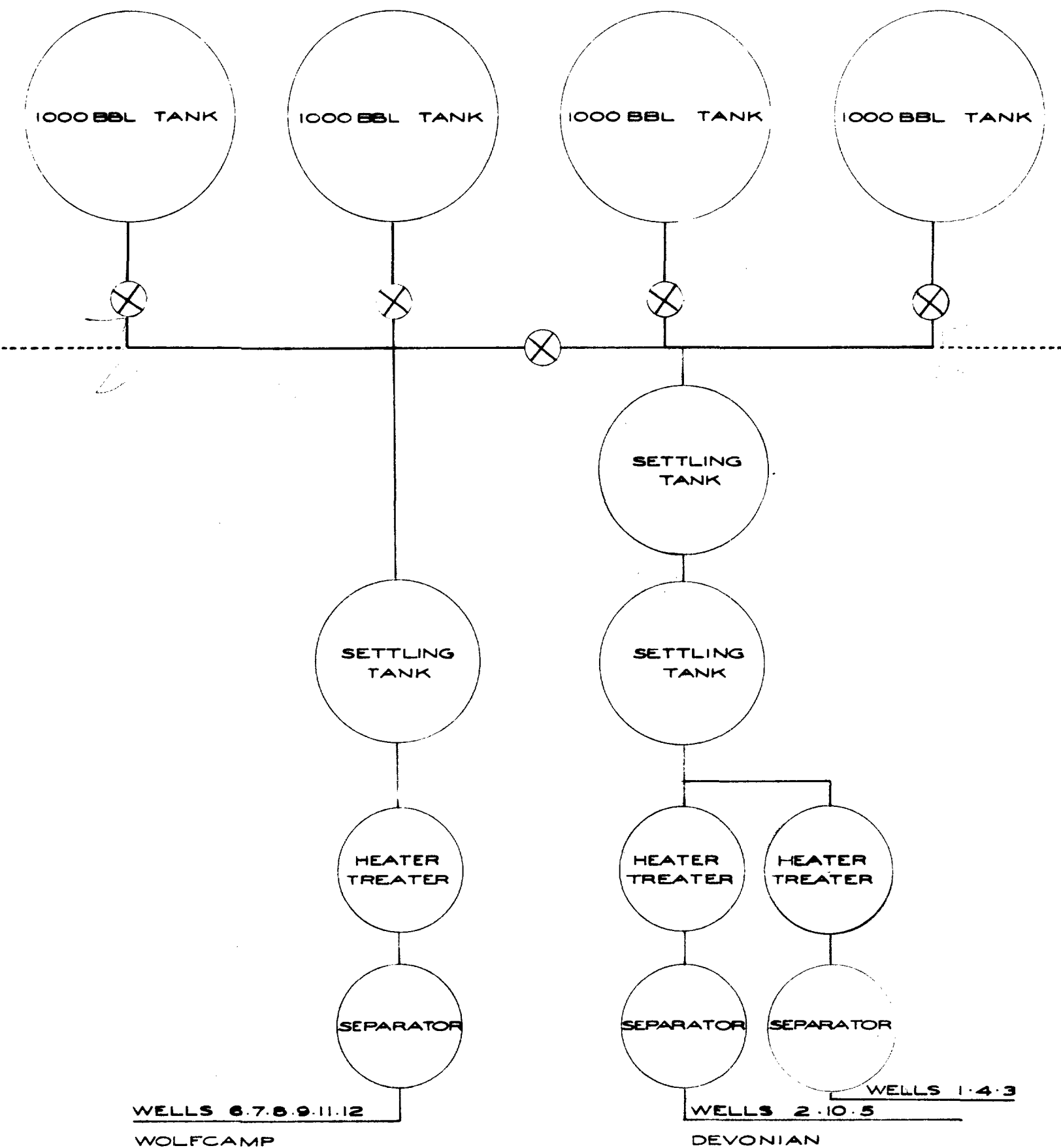
EXHIBIT



△ TANK BATTERIES
— PRESENT FLOW LINES
..... PROPOSED FLOW LINES

SKELLY OIL COMPANY
MEXICO "F" LEASE
SECTION 2-T13S-R37E.

EXHIBIT 2



2283

EXHIBIT 3

PROPOSED WELL TEST FACILITIES

