

Re: APPLICATION OF SKELLY OIL
COMPANY FOR AN EXCEPTION TO RULE
303 TO PERMIT COMMINGLING OF
CRUDELS 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.

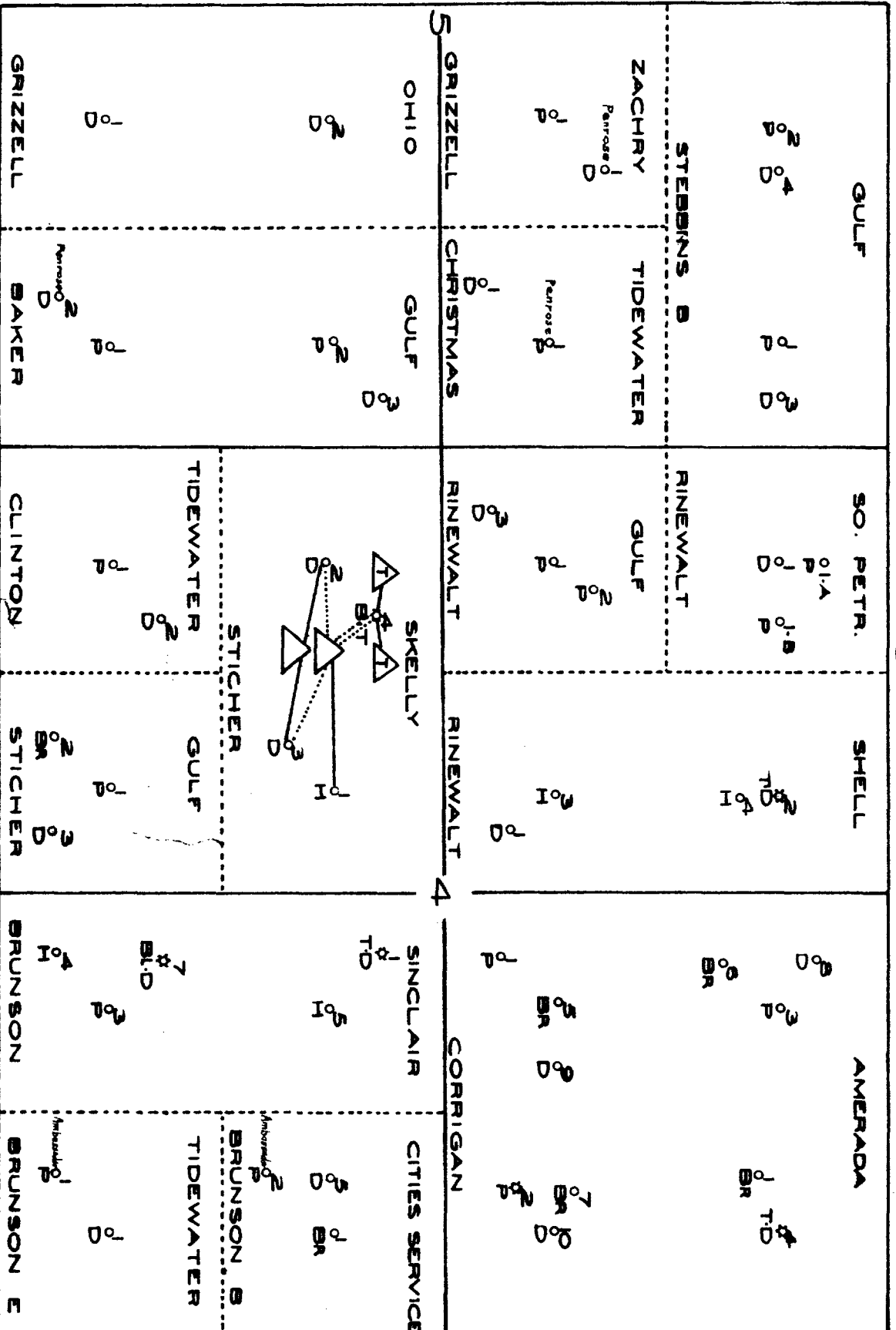
WHEREFORE, applicant prays that this application be set for hearing, that notice be given as required by law, and that upon the evidence adduced the Commission issue an order permitting applicant to commingle its production from the Hare (McKee) Oil pool, Drinkard oil pool, with the liquid production 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

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R 37E

EXHIBIT 1



- 0 P PENROSE SKELLY
- 0 BRULINEBRY
- 0 T TUBB
- 0 D DRINKARD
- 0 H HARE
- 0 BRUNSON

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

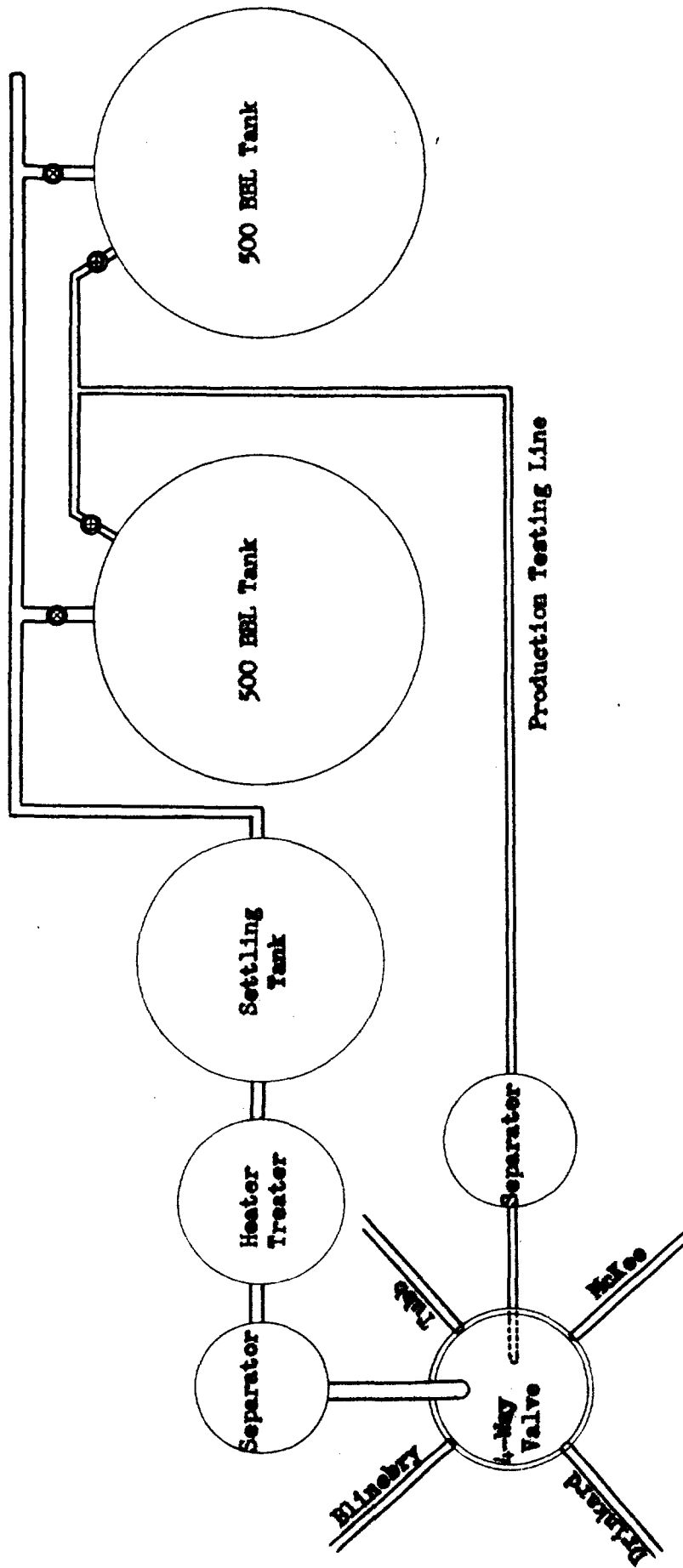
SCALE 0" = 1 MILE

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

Case 20084

EXHIBIT 2



Case 2284

EXHIBIT 3

PROPOSED WELL TEST FACILITIES

