

will be
200-400 bwp & well
at 1850 may pres.

also seek other procedure
for expansion within unit.

SKELLY OIL COMPANY
WEST CENTRAL DISTRICT
Proposed Seven Rivers Pilot Waterflood Program
LOVINGTON SEC. GROUP
Eddy County, New Mexico
North Basin Geoprovince - Artesia Area
Program No.: 645-03-04-01
Scale: 1"=1000' Date: 9-5-73

BEFORE E. M. NUTTER
OIL CONSERVATION COMMISSION
Skelly EXHIBIT NO. 1
CASE NO. 5138 96

- Present Injection System 7/73 (GYB-SA)
- ⑦ Seven Rivers (Fren) Wells (Present)
- ⑦ Dual Producer
- ⑦ Proposed Dual Injection Well
- ⑦ Proposed Single Seven Rivers Injection Well
- ⑦ Proposed Pilot Flood Pattern
- Proposed Injection Line

EXXON CHEMICAL COMPANY U.S.A.
SPECIALTIES LABORATORY
October 5, 1973
8230 Stedman, Houston, Texas 77029



WATER ANALYSIS

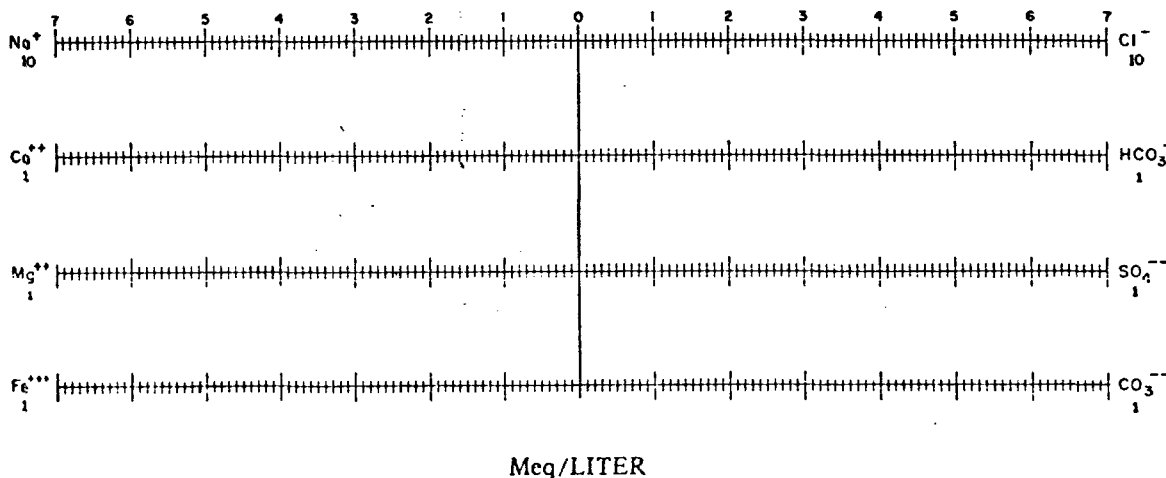
SAMPLE DESCRIPTION: Water sample from Skelly Unit WF #1 submitted for routine correlation.
Sample taken 10-2-73.

COMPANY: Skelly Oil Company
STSR NUMBER: 107330
REQUESTED BY: Harold Langen

DATE RECEIVED: 10-3-73
ANALYZED BY: Gene Keil

	<u>Mg/L</u>	<u>Meq/L</u>		
Sodium	55	2.4	pH	6.8
Calcium	73	3.7	Specific Gravity at 60 °F.	1.0019
Magnesium	4	0.3	Resistivity ohms/m @77°F	10.00
Chloride	34	1.0		<u>Mg/L</u>
Sulfate	142	3.0	Oil Content	
Bicarbonate	151	2.5	Organic Matter	
Carbonate	0	0.0	Hydrogen Sulfide	0.0
Hydroxide	0	0.0		
TOTAL	459			
Dissolved Iron				
Total Iron	0.59	0.0		

WATER PATTERN (Stiff Method)



Remarks:

See 5738
Zph #11

EXXON CHEMICAL COMPANY U.S.A.
SPECIALTIES LABORATORY
October 5, 1973
8230 Stedman, Houston, Texas 77029



WATER ANALYSIS

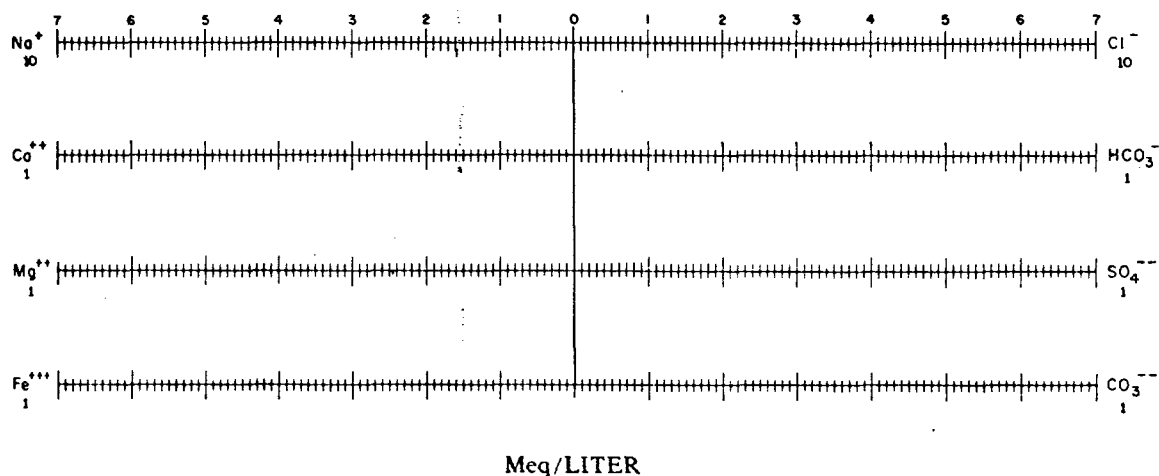
SAMPLE DESCRIPTION: Water sample from Skelly Unit WF #2 submitted for routine correlation.
Sample taken from 10-2-73.

COMPANY: Skelly Oil Company
STSR NUMBER: 107331
REQUESTED BY: Harold Langen

DATE RECEIVED: 10-3-73
ANALYZED BY: Gene Keil

	<u>Mg/L</u>	<u>Meq/L</u>		
Sodium	6,981	303.5	pH	7.7
Calcium	774	38.7	Specific Gravity at 60 °F.	1.1072
Magnesium	259	21.3	Resistivity ohms/m @ 77°F	0.310
Chloride	11,718	330.5		<u>Mg/L</u>
Sulfate	1,272	26.5	Oil Content	
Bicarbonate	403	6.6	Organic Matter	
Carbonate	0	0.0	Hydrogen Sulfide	35.0
Hydroxide	0	0.0		
TOTAL	21,407			
Dissolved Iron				
Total Iron	2.5	0.1		

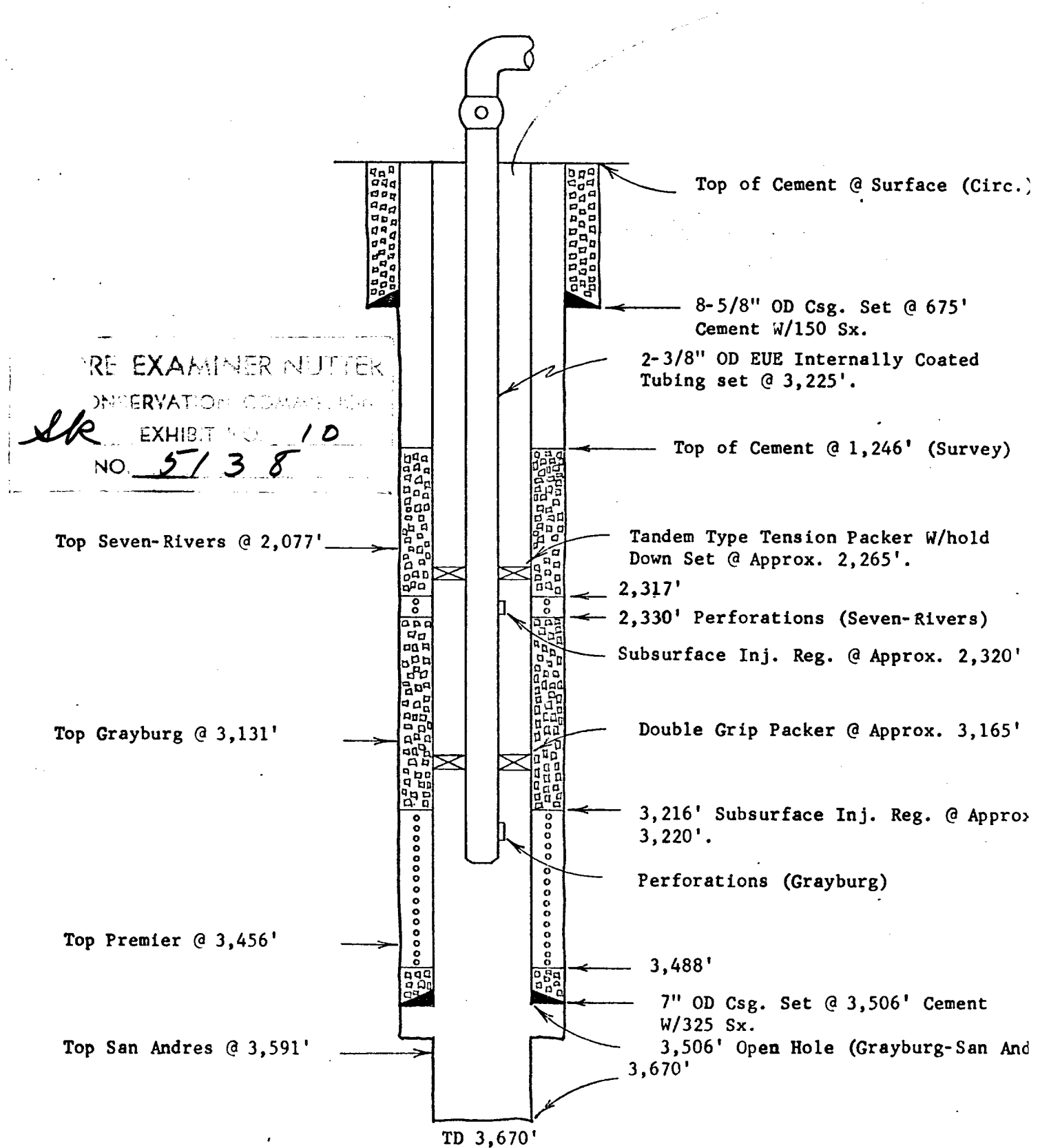
WATER PATTERN (Stiff Method)



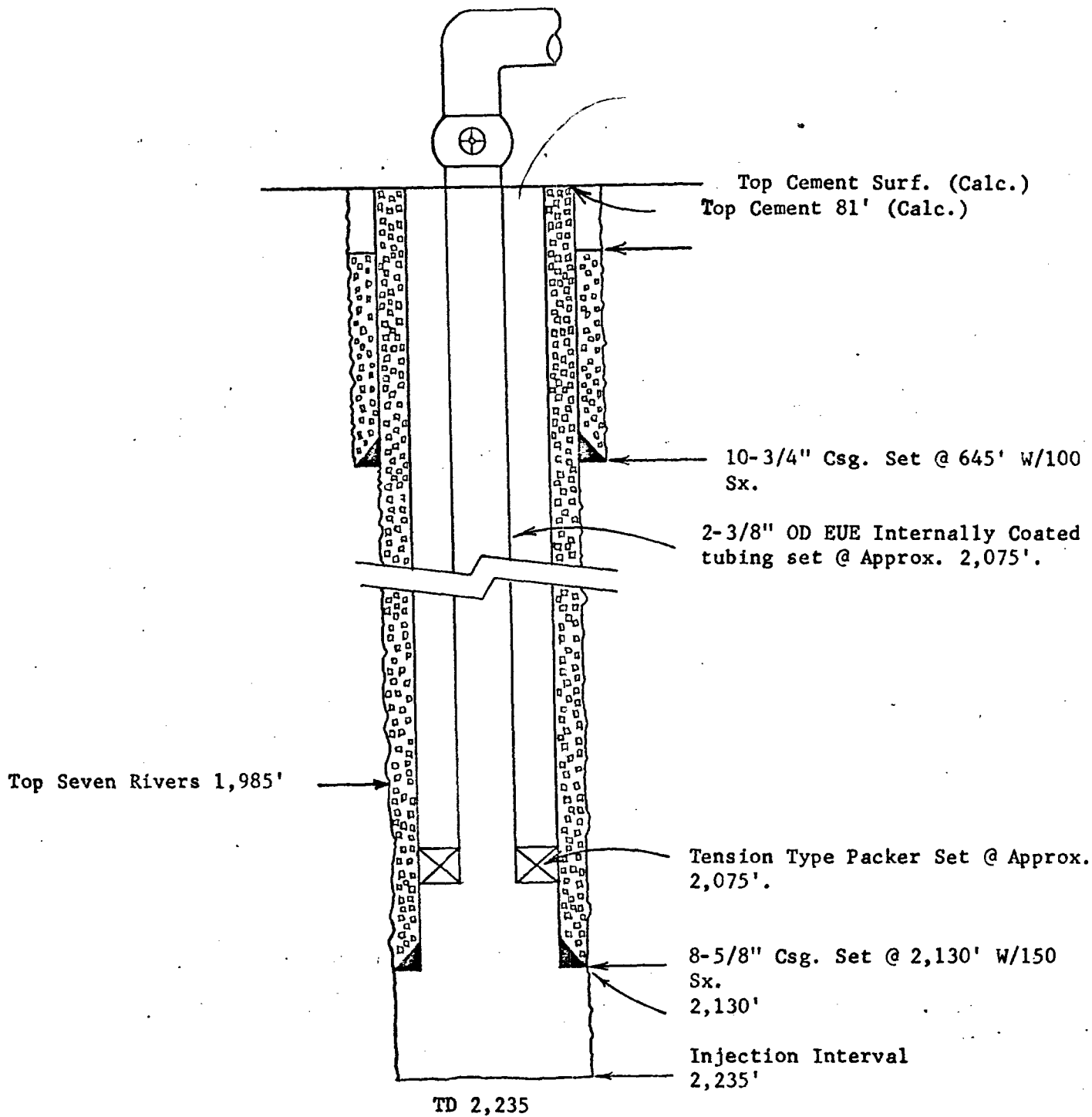
Remarks:

See 5-738
Eph 12

SKELLY OIL COMPANY
 SKELLY UNIT WELL NO. 89
 660' FNL & 1,980' FEL, SECTION 28, T-17-S, R-31-E
 DUAL FREN SEVEN-RIVERS & GRAYBURG SAN ANDRES INJECTION WELL



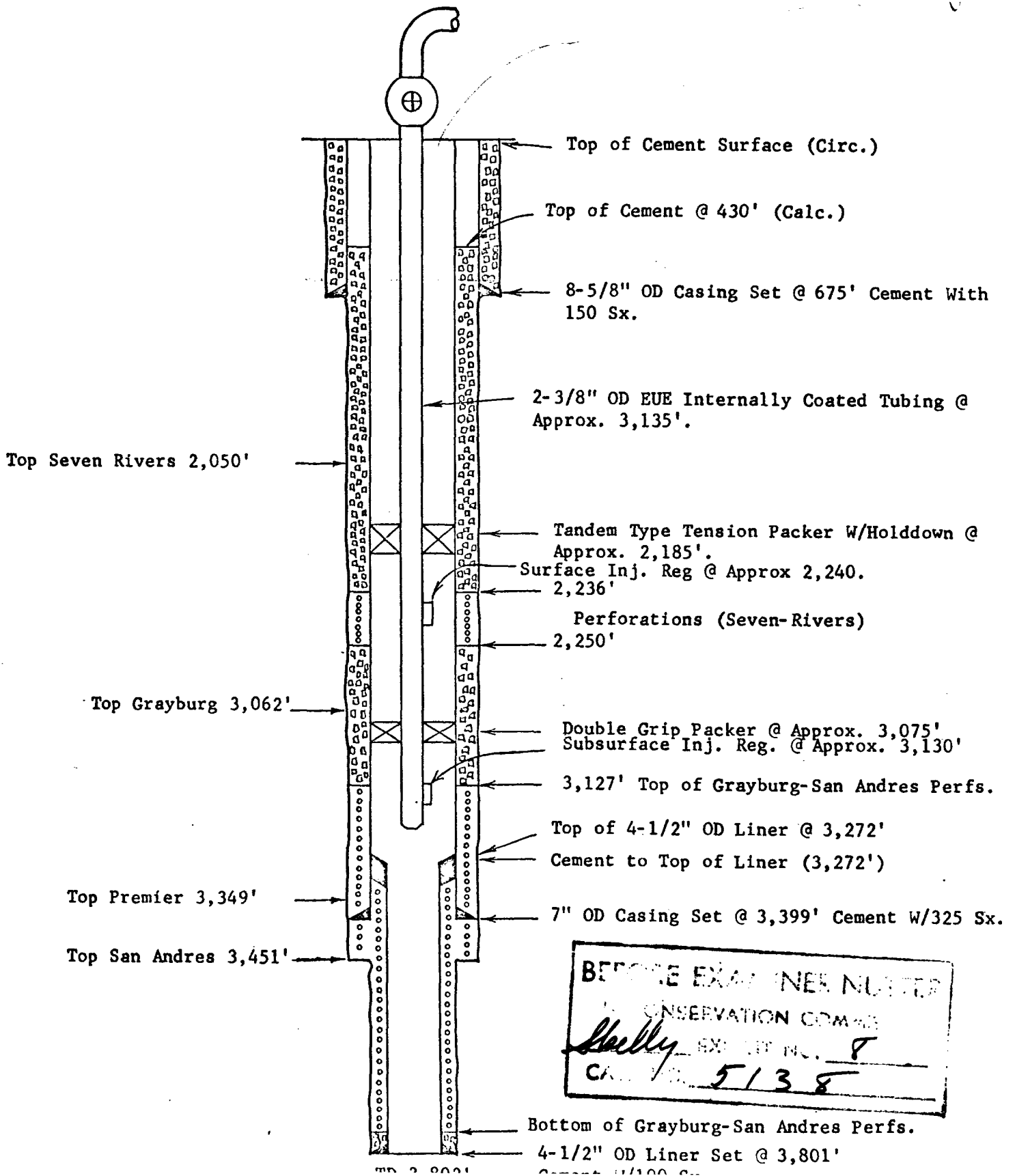
SKELLY OIL COMPANY
 SKELLY UNIT WELL NO. 12
 1,980' FSL & 1,980' FEL, SECTION 21, T-17-S, R-31-E
 FREN-SEVEN RIVERS INJECTION WELL



BEFORE EXAMINE AFTER
 OIL CONSERVATION COMMISSION
 Skelly EXHIBIT NO. 6
 CASE NO. 5138

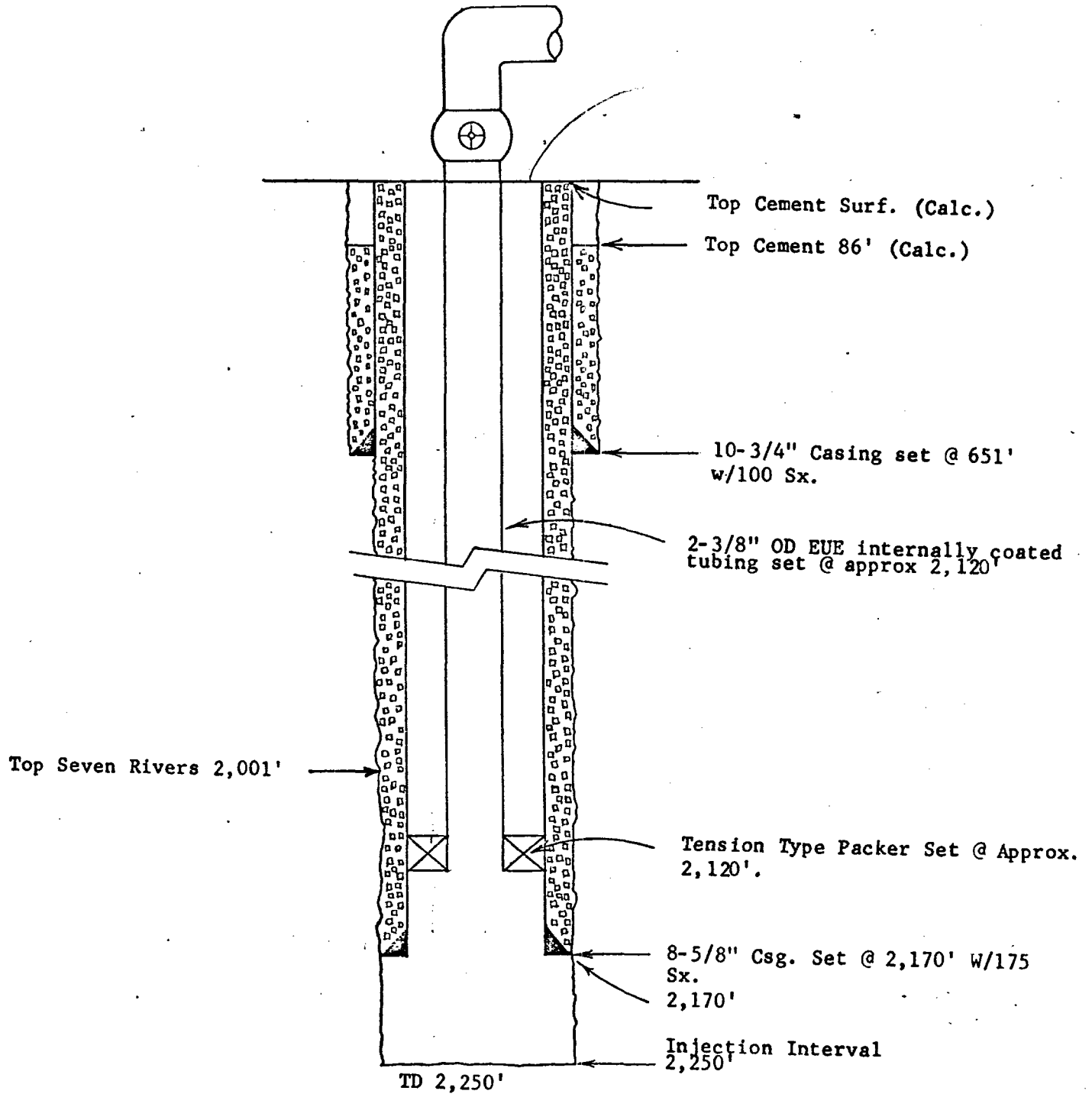
SKELLY OIL COMPANY
 SKELLY UNIT WELL NO. 54
 1,980' FSL & 660' FWL, Section 22, T-17-S, R-31-E
 DUAL FREN SEVEN-RIVERS & GRAYBURG SAN ANDRES INJECTION WELL

Final



BEFORE EXAMINER NOTED
 CONSERVATION COMMISSION
Skelly EXHIBIT NO. 8
 CALL NO. 5138

SKELLY OIL COMPANY
 SKELLY UNIT WELL NO. 16
 660' FSL & 1,980' FWL, SECTION 21, T-17-S, R-31-E
 FREN-SEVEN RIVERS INJECTION WELL



BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
Skelly EXHIBIT NO. 7
 CASE NO. 5138

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

Operator: Skelly Oil Company

8

(Address)

P.O. Box 1351, Midland, Tex. 79701 MONTH

OCT

1973

Page 96

L. NO. UNIT SEC. TWP. RNO.	POL. NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	TOTAL LIQUIDS PRODUCED	GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS				DISPOSITION OF OIL							
						MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED	VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS-PORTER	OTHER
Unmingled Batteries With Same Lease Name - Eddy																	
CT NO. 1																	
en																	
elly Unit - Commingled With Skelly Unit - Grayburg-Jackson Pool																	
C 22 17 31	P	62	46	69	0	31	—										
Grayburg-Jackson																	
elly Unit - Commingled With Skelly Unit - Fren Pool																	
B 15 17 31	P	1116	1054	53	412	31											
D 15 17 31	P	186	124	0	3	31											
F 15 17 31	I		Water Injection Well														
G 15 17 31	P	1240	1122	271	3	31											
H 15 17 31	I		Water Injection Well														
J 14 17 31	I		Water Injection Well														
K 14 17 31	P	558	321	104	4	31											
Total this page		3162	2722	497	427												
(Continued on next page)																	

BEFORE EXAMINER NOTED

ON CONSERVATION COMMISSION

EXHIBIT NO. 17

CASE NO. 5138

"OTHER" GAS DISPOSITION CODE
A - USED OFF LEASE
B - USED FOR DRILLING
C - GAS LIFT
D - LOST (MCF ESTIMATED)
E - EXPLANATION ATTACHED
F - REPRESENTING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE
A - CIRCULATING OIL
B - LOST
C - SEDIMENTATION (GAL)
D - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

BEFORE EXAMINER NOTARY
OIL CONSERVATION COMMISSION
CASE NO. 57138

Submitted in Lieu of Form No. 9-329
Lead Clerk
NOV 23 1973
D. R. CROW
Lead Clerk

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

STATEWIDE FORM C-115 REV. 10-1-61
SUBMIT ORIGINAL TO OCC SANTA FE
ONE COPY TO OCC DIST. OFFICE
ONE COPY TO TRANSPORTER

(Company or Operator) Skelly Oil Company

(Address) P.O. Box 1351, Midland, Tex. 79701 FOR MONTH

OCT 1973 Page 92

WELL NO. UNIT SEC. TWP. RNO.	WELL STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DATE PAID	DISPOSITION OF GAS					DISPOSITION OF OIL				
		MONTHLY ALLOWABLE OIL	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS-PORTER	OTHER	C O D E
LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER																
mingled Batteries With Same Lease Name - Eddy																
ayburg-Jackson																
elly Unit - Commingled With Skelly Unit - Fren Pool (Continued)																
L 14 17 31	I		Water	Injection Well												
I. 15 17 31	P	155	93	2	1222	31										
J 15 17 31	I		Water	Injection Well												
K 15 17 31	P	1240	862	26	16	31										
L 15 17 31	P	330	248	0	2	31										
M 15 17 31	P	341	279	11	6	31										
N 15 17 31	I		Water	Injection Well												
O 15 17 31	P	713	651	625	10	31										
P 15 17 31	I		Water	Injection Well												
M 14 17 31	P	992	929	929	2	31										
N 14 17 31	I		Water	Injection Well												
TOTALS THIS PAGE		3771	3067	1593	1258											

"OTHER" GAS DISPOSITION CODE (Continued on next page)

A - - - - - USED OFF LEASE
B - - - - - USED FOR DRILLING
C - - - - - GAS LIFT
D - - - - - LOST (MCF ESTIMATED)
E - - - - - EXPLANATION ATTACHED
F - - - - - REPRESENTING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE

C - - - - - CIRCULATING OIL
L - - - - - LOST
S - - - - - SEDIMENTATION (SAND)
E - - - - - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Submitted in Lieu of Form No. 9-329

Lead Clerk

Release NOV 23 1973
D. R. CROW
(DATE)

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

OCT 1973 Page 92

(Company or Operator) Skelly Oil Company Address P.O. Box 1351, Midland, Tex., 79701 FOR MONTH

WELL NO. UNIT SEC. TWP. RND.	WELL STATUS	TOTAL LIQUIDS PRODUCED				GAS PRODUCED MCF	OIL DAYS	DISPOSITION OF GAS					DISPOSITION OF OIL					
		MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED				VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS. PORTER	OTHER	C O D E	TRANS. PORTER
LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER																		
Jumbled Batteries With Same Lease Name - Eddy																		
Rayburg-Jackson																		
Kelly Unit - Jumbled with Skelly Unit - Fren Pool (Continued)																		
5 O 14 17 31	P	527	310	0	1	31												
6 P 14 17 31	P	186	61	41	2	31												
7 A 23 17 31	P	124	248	992	10	31												
8 B 23 17 31	I		Water	Injection Well														
9 C 23 17 31	P	558	620	620	4	31												
0 D 23 17 31	I		Water	Injection Well														
1 A 22 17 31	P	837	619	111	2	31												
2 B 22 17 31	I		Water	Injection Well														
3 C 22 17 31	P	219	155	28	43	31												
4 F 22 17 31	I		Water	Injection Well														
5 G 22 17 31	P	992	960	451	49	31												
Totals This Page		3441	2923	2243	111													

(Continued on next page)

STATUS CODE
A - FLOWING
B - USED FOR DRILLING
C - GAS LIFT
D - LOST (ACF ESTIMATED)
E - EXPLANATION ATTACHED
F - REPRESENTING OR PRESSURE MAINTENANCE

"OTHER" GAS DISPOSITION CODE
A - USED OFF LEASE
B - USED FOR DRILLING
C - GAS LIFT
D - LOST (ACF ESTIMATED)
E - EXPLANATION ATTACHED
F - REPRESENTING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE
C - CIRCULATING OIL
L - LOST
S - SEDIMENTATION (BSP)
E - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Signature: *Deleau* NOV 23 1973
(SIGNATURE) D. R. CROW (DATE)

Submitted in lieu of Form No. 9-329

Lead Clerk (40177000)

NEW MEXICO OIL CONSERVATION COMMISSION

BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

Operator: Skelly Oil Company

Address: P.O. Box 1351, Midland, Texas 79701

OCT 1973

Page 44

STATE OF NEW MEXICO
SUBMIT ORIGINAL TO OCC SANTA FE
ONE COPY TO OCC DIST. OFFICE
ONE COPY TO TRANSPORTER

WELL NO. UNIT SEC. TWP. RMD.	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL				
		MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS-PORTER	OTHER	OIL ON HAND END OF MONTH	
46 H 22 17 31	Skelly Unit - Commingled with Skelly Unit - Fren Pool (Continued)	I		Water Injection Well												
47 E 23 17 31		P	744	558	0	31										
48 F 23 17 31		I		Water Injection Well												
49 G 23 17 31		P	837	557	1186	6	31									
50 H 23 17 31		P	124	322	41	14	31									
51 I 22 17 31		P	992	806	266	23	31									
52 J 22 17 31		I		Water Injection Well												
53 K 22 17 31		P	248	185	109	32	31									
54 L 22 17 31		I		Water Injection Well												
55 M 22 17 31		P	248	837	42	23	31									
56 N 22 17 31		I		Water Injection Well												
Totals this page			3193	3315	1644	103										

STATUS CODE (Continued on next page)

1 - FLOWING
2 - USED FOR DRILLING
3 - GAS LIFT
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OTHER OIL DISPOSITION CODE

1 - CIRCULATING OIL
2 - LOST
3 - SEDIMENTATION (ASPH.)
4 - EXPLANATION ATTACHED
5 - EXPLANATION ATTACHED
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99 - EXPLANATION ATTACHED
100 - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Submitted in Lieu of Form No. 9-329
Lead Clerk
Billenev D. R. Cross
NOV 23 1973
DATE

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

Company or Operator: Skelly Oil Company 8 (Address) P.O. Box 1351, Midland, Tex. 79701 FOR MONTH OCT 1973 Page 100

WELL NO. UNIT SEC. TWP. RND.	WELL STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL				
		MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS-PORTER	OTHER	C O D E
LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER																
Commingled Batteries With Same Lease Name - Eddy																
Brayburg-Jackson																
Skelly Unit - Commingled with Skelly Unit - Fren Pool (Continued)																
37 O 22 17 31	P	496	309	114	8	31										
38 P 22 17 31	I		Water	Injection Well												
106 C 15 17 31	P	217	155	0	84	31										
108 A 15 17 31	P	620	434	651	265	31										
109 E 15 17 31	P	868	496	243	100	31										
111 I 14 17 31	P	155	93	3	232	31										
Totals This Page		2356	1482	1011	689											
Brayburg-JACKSON Total		15861	13568	6919	2588				2588	CON						
Fren Total		62	46	69	0				0	CON						
ACT No. 1 Total		15929	13614	6988	2588				2588	CON		1032	13591			7111/1055

STATUS CODE
A - FLOWING
B - PLUGGED
C - GAS LIFT
D - SHUT IN
E - TEST ABANDONED
F - SECTION

"OTHER" GAS DISPOSITION CODE
A - USED OFF LEASE
B - USED FOR DRILLING
C - GAS LIFT
D - LOST (MCF ESTIMATED)
E - EXPLANATION ATTACHED
F - REPAIRING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE
A - CIRCULATING OIL
B - LOST
C - SEDIMENTATION (LOSS)
D - EXPLANATION ATTACHED
E - REPAIRING OR PRESSURE MAINTENANCE

Submitted in Lieu of Form No. 9-329

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.
Signature: R. E. D. R. G. NOV 22 1973
Lead Clerk (PRINT NAME)

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

Company: Skelly Oil Company
Operator: 2
Address: P.O. Box 1351, Midland, Tex. 79701
FOR MONTH: OCT 1973
Page: 1024

WELL NO. UNIT SEC. TWP. RNO. POOL NAME (UNDERLINE)	WELL STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL				
		MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS- PORTER	OTHER	C O D E
LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER																
Commingled Batteries With Same Lease Name - Eddy																
ACT NO. 2																
REN																
Skelly Unit - Commingled with Skelly Unit - Grayburg-Jackson Pool.																
4 L 21 17 31	P	93	61	0	11	31	180									
5 M 21 17 31	P	155	60	0	14	31	233									
6 N 21 17 31	P	124	60	0	13	31	219									
Grayburg-Jackson																
Skelly Unit - Commingled with Skelly Unit - Fren Pool																
11 I 21 17 31	P	248	151	17	29	31										
59 A 21 17 31	P	186	120	2	26	31										
50 B 21 17 31	P	186	121	0	62	31										
61 C 21 17 31	P	248	150	0	60	31										
Totals This Page		1240	923	19	320											

STATUS CODE
P - FLOWING
D - PLUGGED
S - GAS LIFT
T - STOP WORK
I - INJECTION

"OTHER" GAS DISPOSITION CODE (Continued on next page)
A - USED FOR DRILLING
B - GAS LIFT
C - LOST (NOT ESTIMATED)
D - ESTIMATION ATTACHED
E - ESTIMATION OF PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE
C - CIRCULATING OIL
L - LOST
S - SEDIMENTATION (BAST)
E - EXPLANATION ATTACHED
I - INJECTION

Submitted in Lieu of Form No. 9-329

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

D. R. CROOK
Lead Clerk

NOV 23 1973

(DATE)

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

Company or Operator: Skelly Oil Company
Address: P.O. Box 1351, Midland, Tex. 79701
FOR MONTH: OCT 1973
Page: 12

WELL NO. UNIT SEC. TWP. RMO.	LEASE NAME (UNDERLINE)	WELL STATUS	TOTAL LIQUIDS PRODUCED				GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL				
			MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED				VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS- PORTER	OTHER	C O D E
Commingled Batteries With Same Lease Name - Eddy																		
Krayburg-Jackson																		
Skelly Unit - Commingled with Skelly Unit - Fren Pool																		
2 D 21 17 31		P	522	579	63	81	31											
3 E 21 17 31		P	62	31	47	68	31											
4 F 21 17 31		I		Water	Injection Well													
5 G 21 17 31		P	405	451	99	115	31											
6 H 21 17 31		I		Water	Injection Well													
7 J 21 17 31		I		Water	Injection Well													
8 K 21 17 31		P	186	121	7	53	31											
9 L 21 17 31		I		Water	Injection Well													
10 J 23 17 31		P	1984	753	2259	0	31											
Totals This Page			3162	1928	2475	312												
(Continued on next page)																		

(Continued on next page)

STATUS CODE
F - FLOWING
P - PLUGGING
S - GAS LIFT
T - SHUT IN
I - TEMP. ABANDONED
N - INJECTION

"OTHER" GAS DISPOSITION CODE
A - USED OFF LEASE
B - USED FOR DRILLING
C - GAS LIFT
L - LOST (MCF ESTIMATED)
E - EXPLANATION ATTACHED
R - REPRESENTING ON PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE
C - CIRCULATING OIL
L - LOST
S - SEDIMENTATION (SLUR)
E - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Signature: D. R. CROANOV D. R. CROANOV 23 1973
Lead Clerk (POSITION)

Submitted in lieu of Form No. 9-329

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

Company or Operator: Skelly Oil Company 8 (Address) P.O. Box 1351, Midland, Tex. 79701 FOR MONTH OCT 1973 Page 1/4

WELL NO. UNIT SEC. TWP. RNO.	STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL				
		MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS-PORTER	OTHER	C O D E
LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER																
Commingled Batteries		With Same Lease Name -			Eddy											
rayburg-Jackson																
Kelly Unit - Commingled With Skelly Unit - Fren Pool (Continued)																
1 J 23 17 31	I		Water	Injection Well												
2 K 23 17 31	P	868	602	602	266	31										
3 L 23 17 31	I		Water	Injection Well												
4 M 21 17 31	P	713	1355	339	109	31										
5 N 21 17 31	I		Water	Injection Well												
6 O 21 17 31	P	1209	1085	2018	202	31										
7 P 21 17 31	I		Water	Injection Well												
8 M 23 17 31	P	558	391	74	119	31										
9 N 23 17 31	I		Water	Injection Well												
0 O 23 17 31	P	713	512	420	207	31										
otals This Page		4061	2945	3453	908											
(Continued on next page)																

"OTHER" GAS DISPOSITION CODE

A - - - - - USED OFF LEASE
B - - - - - USED FOR DRILLING
C - - - - - GAS LIFT
D - - - - - LOST (MCF ESTIMATED)
E - - - - - EXPLANATION ATTACHED
F - - - - - REPRESENTING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE

C - - - - - CIRCULATING OIL
L - - - - - LOST
S - - - - - SEDIMENTATION (ISSAY)
E - - - - - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Subscribed D. R. CROOK NOV 23 1973
Lead Clerk

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

(Company or Operator) Skelly Oil Company 8 (Address) P.O. Box 1351, Midland, Tex. 79701 FOR MONTH OCT 1973 Page 105

STATE OF NEW MEXICO, 10-1-73
SUBMIT ORIGINAL TO OCC SANTA FE
ONE COPY TO OCC DIST. OFFICE
ONE COPY TO TRANSPORTER

WELL NO. UNIT SEC. TWP. RNO.	POOL NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	LEASE STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL									
				MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS-PORTER	OTHER	C O D E	TRANS-PORTER	OIL ON HAND END OF MONTH			
Commingle Batteries With Same Lease Name - Eddy																							
Grayburg-Jackson																							
Skelly Unit - Commingle With Skelly Unit - Eren Pool (Continued)																							
31 P 23 17 31	I				Water	Injection Well																	
32 C 26 17 31	P	527	482	5115	136	31																	
33 D 26 17 31	I				Water	Injection Well																	
34 A 27 17 31	P	248	301	99	105	31																	
35 B 27 17 31	I				Water	Injection Well																	
36 C 27 17 31	P	186	121	121	154	31																	
37 D 27 17 31	I				Water	Injection Well																	
38 A 28 17 31	P	403	301	99	170	31																	
39 B 28 17 31	I				Water	Injection Well																	
40 C 28 17 31	P	1612	1395	65	163	31																	
Totals This Page		2976	2500	5499	728																		
(Continued next page)																							

(Continued next page)

STATUS CODE
F - FLOWING
P - PLUGGED
G - GAS LIFT
L - LOST
E - EXPLANATION ATTACHED
I - INJECTION
R - REPAIRING OR PRESSURE MAINTENANCE

OTHER GAS DISPOSITION CODE
A - USED OFF LEASE
B - USED FOR DRILLING
C - GAS LIFT
D - GAS LIFT
E - GAS LIFT
F - GAS LIFT
G - GAS LIFT
H - GAS LIFT
I - GAS LIFT
J - GAS LIFT
K - GAS LIFT
L - GAS LIFT
M - GAS LIFT
N - GAS LIFT
O - GAS LIFT
P - GAS LIFT
Q - GAS LIFT
R - GAS LIFT
S - GAS LIFT
T - GAS LIFT
U - GAS LIFT
V - GAS LIFT
W - GAS LIFT
X - GAS LIFT
Y - GAS LIFT
Z - GAS LIFT

OTHER OIL DISPOSITION CODE
A - CIRCULATING OIL
B - CIRCULATING OIL
C - CIRCULATING OIL
D - CIRCULATING OIL
E - CIRCULATING OIL
F - CIRCULATING OIL
G - CIRCULATING OIL
H - CIRCULATING OIL
I - CIRCULATING OIL
J - CIRCULATING OIL
K - CIRCULATING OIL
L - CIRCULATING OIL
M - CIRCULATING OIL
N - CIRCULATING OIL
O - CIRCULATING OIL
P - CIRCULATING OIL
Q - CIRCULATING OIL
R - CIRCULATING OIL
S - CIRCULATING OIL
T - CIRCULATING OIL
U - CIRCULATING OIL
V - CIRCULATING OIL
W - CIRCULATING OIL
X - CIRCULATING OIL
Y - CIRCULATING OIL
Z - CIRCULATING OIL

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Rebecca D. R. Crow NOV 23 1973
(SIGNATURE) (DATE)

Lead Clerk
(SIGNATURE)

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

OCT 1973

Page 102

Company: Skelly Oil Company

Address: P.O. Box 1351, Midland, Texas 79701

Month: OCT

Year: 1973

WELL NO. UNIT SEC. TWP. RMO.	LEASE NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	OIL ON HAND END OF MONTH	DISPOSITION OF GAS					DISPOSITION OF OIL					
			MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLO	PURCH.	OTHER	C O D E	OIL ON HAND BEGINNING OF MONTH	BARRELS TO TRANS-PORTER	OTHER	C O D E	TRANS-PORTER
Commingled Batteries With Same Lease Name - Eddy																		
Brayburg-Jackson																		
Skelly Unit - Commingled With Skelly Unit - Fren Pool (Continued)																		
21 D 28 17 31	I			Water	Injection Well													
22 E 28 17 31	P	12.09	1084	14849	262	31												
23 F 28 17 31	I			Water	Injection Well													
24 G 28 17 31	P	3/0	151	227	130	31												
25 H 28 1731	I			Water	Injection Well													
26 F 27 17 31	I			Water	Injection Well													
27 G 27 17 31	P	12.4	60	540	65	31												
28 J 28 17 31	I			Water	Injection Well													
29 K 28 17 31	T			Temporarily Abandoned														
100 L 28 17 31	I			Water	Injection Well													
107 E 27 17 31	P	372	227	25	403	31												
Totals This Page			9.015	1522	1564	860												

STATUS CODE (Continued on next page)

"OTHER" OIL DISPOSITION CODE

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

"OTHER" GAS DISPOSITION CODE (Continued on next page)

"OTHER" OIL DISPOSITION CODE

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

"OTHER" GAS DISPOSITION CODE (Continued on next page)

"OTHER" OIL DISPOSITION CODE

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Submitted in Lieu of Form No. 9-329

Lead Clerk

D. R. NOV 23 1973

(DATE)

(SIGNATURE)

(POSITION)

(DATE)

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

(Company or Operator) Skelly Oil Company

(Address) P.O. Box 1351, Midland, Texas 79701 for month

OCT 1973

Page 102

WELL NO. UNIT SEC. TWP. RMO.	LEASE NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS						DISPOSITION OF OIL				
			MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS-PORTER	OTHER	C O D E	TRANS-PORTER
Commingled Batteries With Same Lease Name - Eddy																		
Grayburg-Jackson																		
Skelly Unit - Commingled With Skelly Unit - Fren Pool (Continued)																		
Grayburg-Jackson Total			13882	10437	27087	3095				3095	CON							
Fren Total			1643	903	0	191				191	CON							
LACT NO. 2 TOTALS			14725	11340	27087	3286				3286	CON				971	11334		7111 972
(Continued on next page)																		

(Continued on next page)

STATUS CODE
P.....FLOWING
D.....DRAINING
G.....GAS LIFT
S.....SHUT IN
T.....TEMP ABANDONED
I.....INJECTION

"OTHER" GAS DISPOSITION CODE
2.....USED OFF LEASE
3.....USED FOR DRILLING
4.....GAS LIFT
5.....LOST (MCF ESTIMATED)
6.....EXPLANATION ATTACHED
7.....REPRESSURING OR PRESTRESS MAINTENANCE

"OTHER" OIL DISPOSITION CODE
C.....CIRCULATING OIL
L.....LOST
3.....SEDIMENTATION (ASST)
E.....EXPLANATION ATTACHED

Submitted in Lieu of Form No. 9-329

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Lead Clerk

W. R. CRIBB NOV 23 1973

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

(Company or Operator) Skelly Oil Company

(Address) P.O. Box 1351, Midland, Tex. 79701

FOR MONTH OCT 1973

Page 102

WELL NO. UNIT SEC. TWP. RMO. POOL NAME (UNDERLINE)	WELL STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	POOD DAYS	DISPOSITION OF GAS					DISPOSITION OF OIL				
		MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLO	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS- PORTER	OTHER	C O D E
LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER																
Commingled Batteries With Same Lease Name - Eddy																
Battery No. 5																
Fren																
Skelly Unit - Commingled With Skelly Unit - Grayburg-Jackson Pool																
3 D 22 17 31	P	279	174	0	406	31	2333									
Fren Total		279	174	0	406					406	CON					
Grayburg-Jackson																
Skelly Unit - Commingled With Skelly Unit - Fren Pool																
3 D 22 17 31	I			Water Injection Well												
101 E 22 17 31	P	248	184	0	0	31										
Grayburg-Jackson Total		248	184	0	0					0	CON					
Battery No. 5 Totals		527	258	0	406					406	CON			92	185	714 520

"OTHER" GAS DISPOSITION CODE

1 - USED OFF LEASE
2 - USED FOR DRILLING
3 - GAS LIFT
4 - LOST (MCF ESTIMATED)
5 - EXPLANATION ATTACHED
6 - REPRESENTING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE

1 - CIRCULATING OIL
2 - LOST
3 - SEDIMENTATION (BARRELS)
4 - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Submitted in Lieu of Form No. 9-329

Lead Clerk Deborah D. R. CHRY 23 1973
(Signature) (Date)

NEW MEXICO OIL CONSERVATION COMMISSION

BOX 2088 SANTA FE, NEW MEXICO

OPERATOR'S MONTHLY REPORT

Company or Operator: Skelly Oil Company

Address: P.O. Box 1351, Midland, Texas 79701 FOR MONTH

OCT 1973

Page 109

STATE OF NEW MEXICO
SUBMIT ORIGINAL TO OCC SANTA FE
ONE COPY TO OCC DIST. OFFICE
ONE COPY TO TRANSPORTER

WELL NO. UNIT SEC. TWP. RNO.	LEASE NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL				
			MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS-PORTER	OTHER	C O D E
Commingled Batteries With Same Lease Name - Eddy (Continued)																	
Battery No. 6																	
Fren																	
Skelly Unit - Commingled With Skelly Unit - Grayburg-Jackson Pool																	
114 D 14 17 31	P	31	9	1	1	31	111										
Grayburg-Jackson																	
Skelly Unit - Commingled With Skelly Unit - Fren Pool																	
102 B 14 17 31	I		Water Injection Well														
103 C 14 17 31	P	124	62	120	11	31											
104 E 14 17 31	P	248	154	108	5	31											
105 F 14 17 31	I		Water Injection Well														
110 G 14 17 31	P	620	461	23	240	31											
112 A 14 17 31	P	186	92	10	581	31											
Total This Page		1409	728	262													
(Continued on next page)																	

(Continued on next page)

STATUS CODE
 F - FLOWING
 P - PRODUCING
 S - GAS LIFT
 T - TEMP. ABANDONED
 I - INJECTION
 OTHER GAS DISPOSITION CODE
 1 - USED OFF LEASE
 2 - USED FOR DRILLING
 3 - GAS LIFT
 4 - LOST
 5 - LOST MCF ESTIMATED
 6 - EXPLANATION ATTACHED
 7 - EXPLANATION OF PRESSURE MAINTENANCE

OTHER OIL DISPOSITION CODE
 C - CIRCULATING OIL
 L - LOST
 S - SEDIMENTATION (BAST)
 E - EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Submitted in Lieu of Form No. 9-329

Grayburg D. R. NOV 23 1973

Lead Clerk

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

Company or Operator: Skelly Oil Company

Address: P.O. Box 1351, Midland, Tex. 79701

FOR MONTH

OCT 1973

Page 110

WELL NO. UNIT SEC. TWP. RMO. POOL NAME (UNDERLINE) LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	WELL STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL						
		MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS- PORTER	OTHER	C O D E	TRANS. PORTER	OIL ON HAND END OF MONTH
Commingled Batteries With Same Lease Name - Eddy																		
Battery No. 6																		
Grayburg-Jackson																		
Skelly Unit - Commingled With Skelly Unit - Fren Pool																		
113 H 14 17 31	P	186	92	10	494	31												
114 D 14 17 31	I		Water Injection Well															
Grayburg-Jackson Total		1364	861	271	1331				1331	CON								
Fren Totals		31	9	1	1				1	CON								
Battery No. 6 Totals		1395	870	272	1332				1332	CON			326	949		THM	347	

STATUS CODE
F - FLOWING
P - PLUGGED
G - GAS LIFT
S - SHUT IN
T - TEMP. ABANDONED
I - INJECTION

OTHER GAS DISPOSITION CODE
A - USED OFF LEASE
B - USED FOR DRILLING
C - GAS LIFT
D - GAS LIFT
E - LOST (MCF ESTIMATED)
F - EXPLANATION ATTACHED
G - REPRESENTING OR PRESSURE MAINTENANCE

OTHER OIL DISPOSITION CODE
A - CIRCULATING OIL
B - LOST
C - SEDIMENTATION (SEAR)
D - REPLACEMENT AT OTHERS
E - EXPLANATION ATTACHED
F - REPRESENTING OR PRESSURE MAINTENANCE

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE & COMPLETE TO THE BEST OF MY KNOWLEDGE.

Submitted in Lieu of Form No. 9-329
Dated NOV 23 1973

Lead Clerk
Dated NOV 23 1973

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

(Company or Operator) SKELLY OIL COMPANY 8 (Address) P. O. Box 1357 Midland, Texas FOR MONTH OCT 1973 Page 111

WELL NO. UNIT SEC. TWP. RMB.	POOL NAME (UNDERLINE)	LEASE NAME AND STATE LAND LEASE NUMBER OR FEDERAL LEASE NUMBER	WELL STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL					
				MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS- PORTER	OTHER	C O D E	TRANS- PORTER
Fren Pennsylvania - Gas Distillate Well - Eddy County																			
Skelly Unit No. 1	- Section 276																		
1 N 15 17 31	S	5641 IN									CON			15	0			TNM	15
Summary - Skelly Unit - Eddy County																			
Fren Pool		2015 1132	70	598						598	CON			133	1176			TNM	89
Grayburg - Jackson		30555 25050	34277	7014						7014	CON			2293	24283			TNM	2460
Fren Penn.	5	SHUT IN									CON			15	0			TNM	15
Total F/Skelly Unit		32570 26182	34347	7612						7612	CON			2441	26059			TNM	2564

STATUS CODE
F - FLOWING
P - PLUGGING
G - GAS LIFT
S - SHUT IN
T - TEMP. ASSIGNMENT
I - INJECTION

"OTHER" GAS DISPOSITION CODE
A - USED OFF LEASE
B - USED FOR DRILLING
C - GAS LIFT
D - LOST (MCF ESTIMATED)
E - EXPLANATION ATTACHED
F - REPRESSURING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE
C - CIRCULATING OIL
L - LOST
S - SEDIMENTATION (LOSS)
E - EXPLANATION ATTACHED

HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Submitted in Lieu of Form No. 9-329

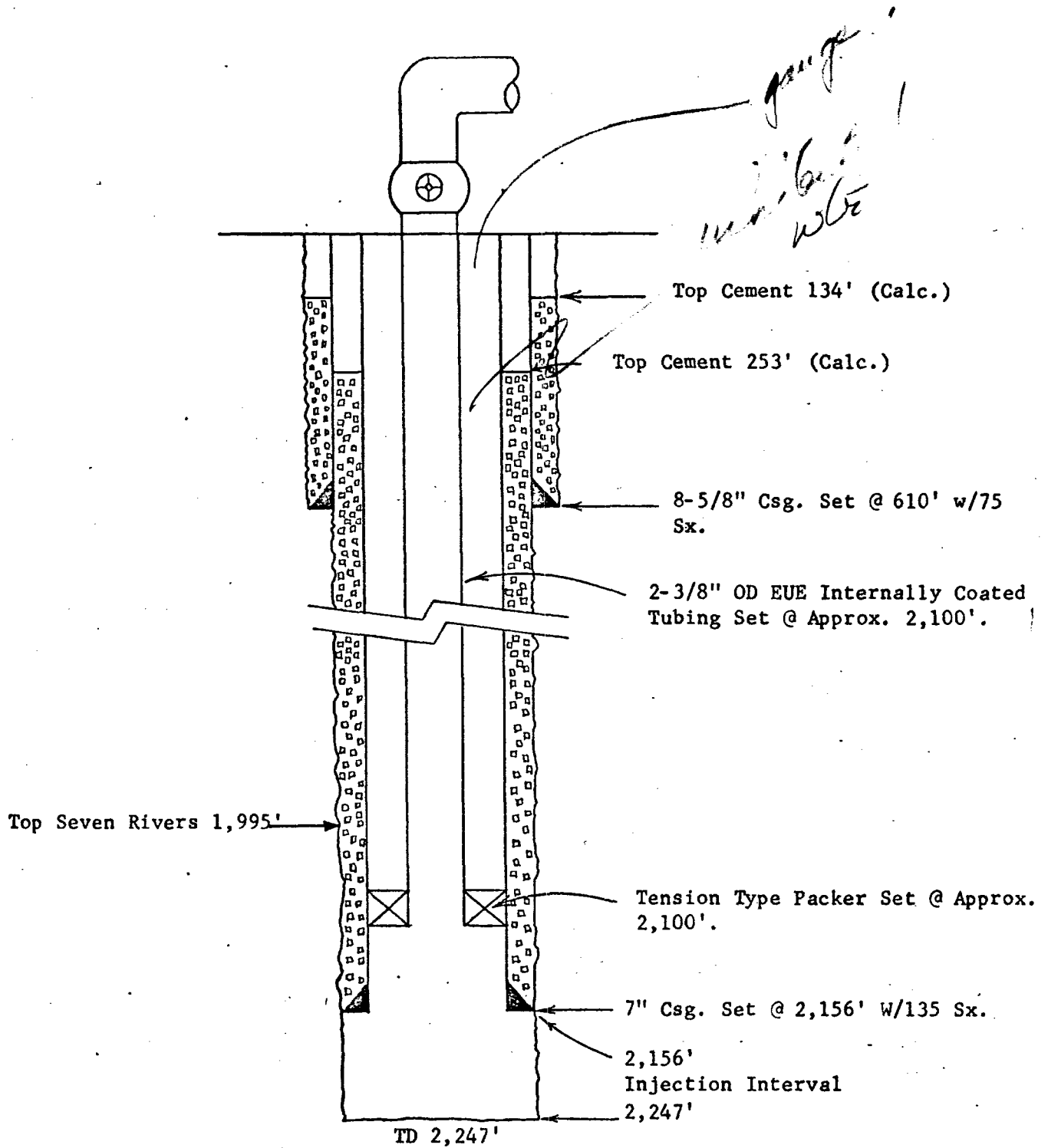
District Administrative Coordinator

NOV 2 1973

(DATE)

(POSITION)

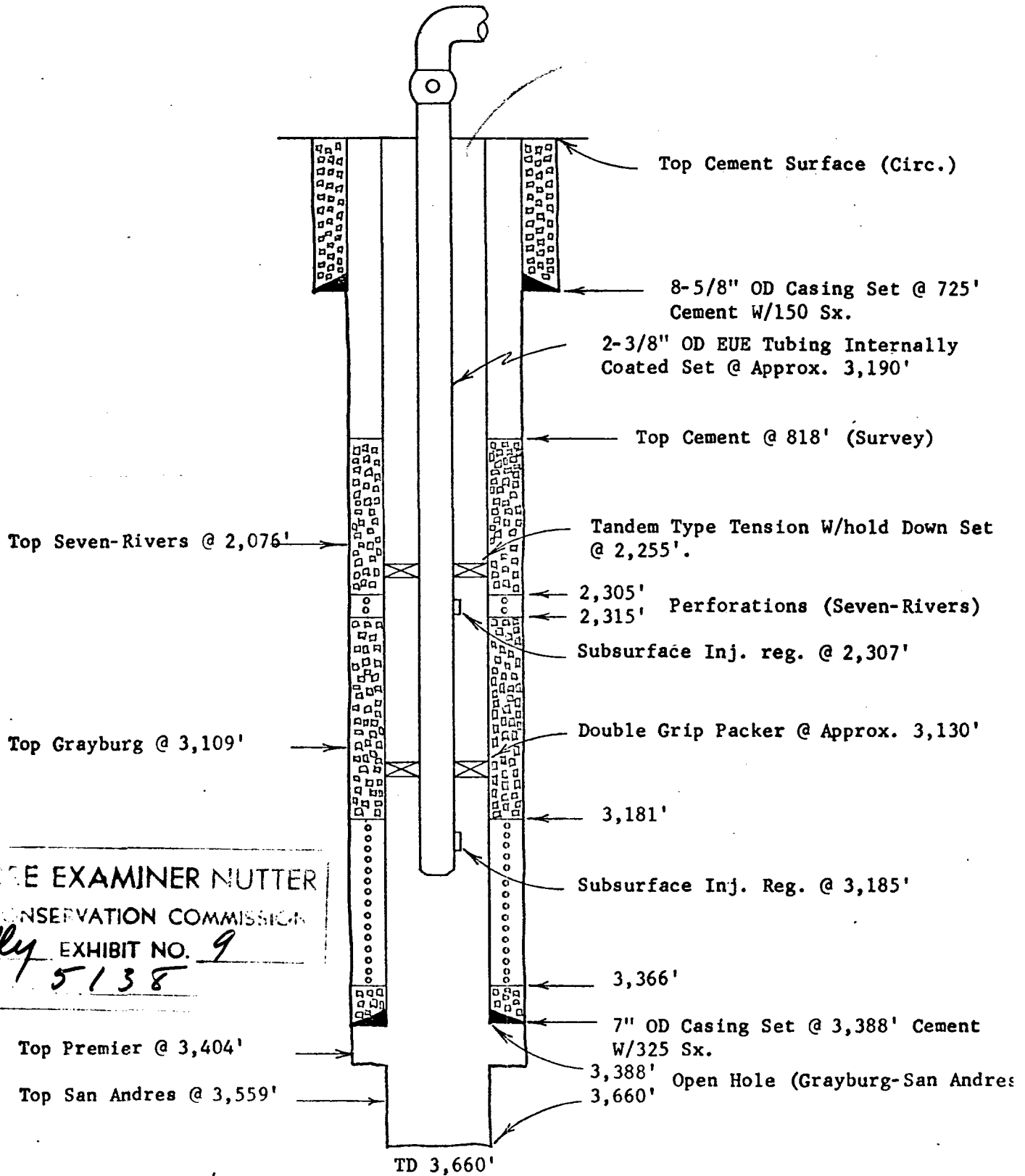
SKELLY OIL COMPANY
 SKELLY UNIT WELL NO. 10
 1,980' FNL & 660' FEL, SECTION 21, T-17-S, R-31-E
 FREN-SEVEN RIVERS INJECTION WELL



BEFORE EXAMINER MUTTER
 OIL CONSERVATION COMMISSION
 Skelly EXHIBIT NO. 5
 CASE NO. 5138

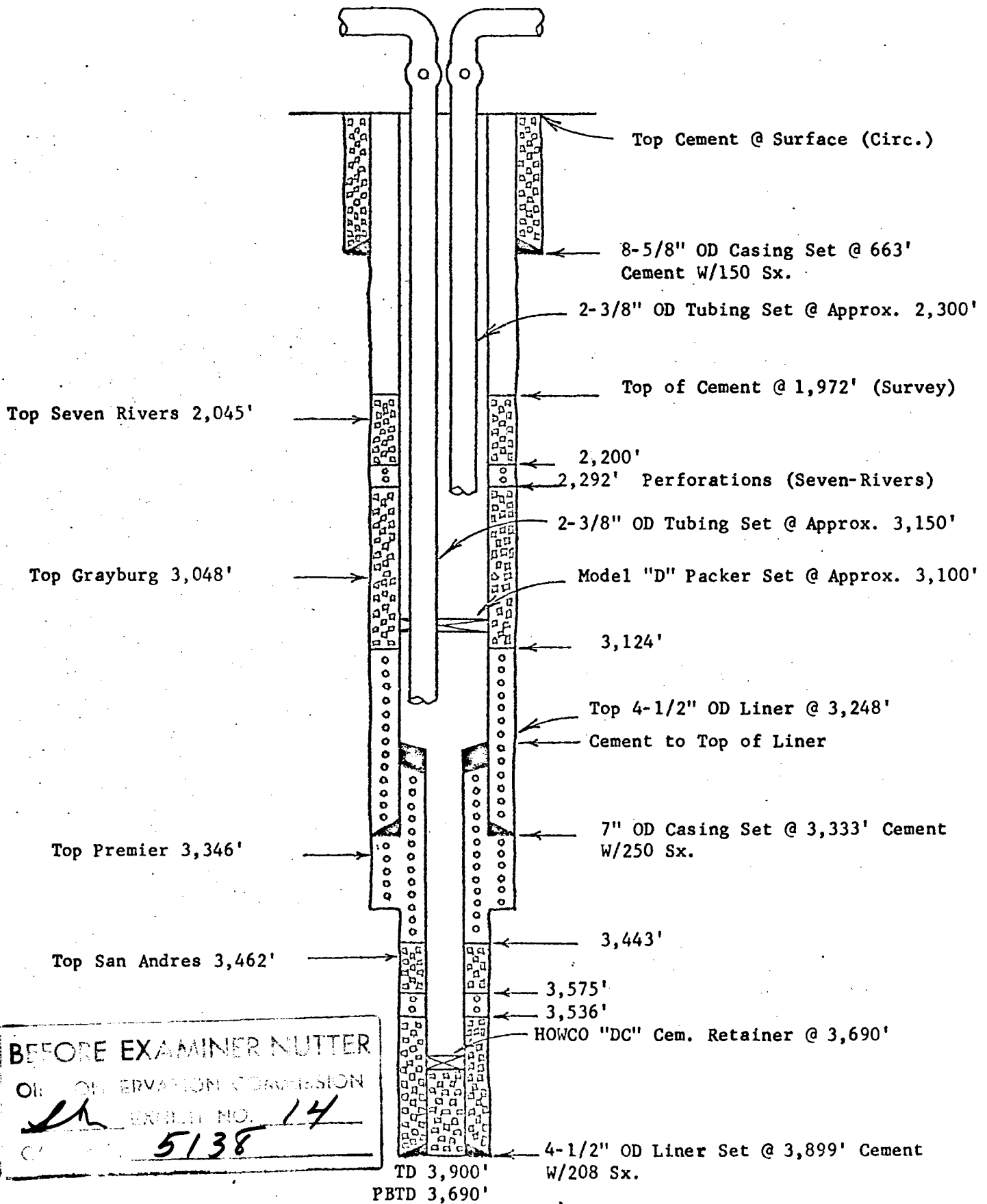
SKELLY OIL COMPANY
SKELLY UNIT WELL NO. 77
330' FSL & 660' FEL, SECTION 21, T-17-S, R-31-E
DUAL FREN SEVEN-RIVERS & GRAYBURG-SAN ANDRES INJECTION WELL

Final Log



BEFORE EXAMINER NUTTER
OF CONSERVATION COMMISSION
Skelly EXHIBIT NO. 9
CA 5138

SKELLY OIL COMPANY
 SKELLY UNIT WELL NO. 76
 720' FSL & 1,980' FEL, SECTION 21, T-17-S, R-31-E
 DUAL FREN SEVEN-RIVERS & GRAYBURG-SAN ANDRES PRODUCER



EXXON CHEMICAL COMPANY U.S.A.
SPECIALTIES LABORATORY
October 5, 1973
8230 Stedman, Houston, Texas 77029

EXXON
CHEMICALS

WATER ANALYSIS

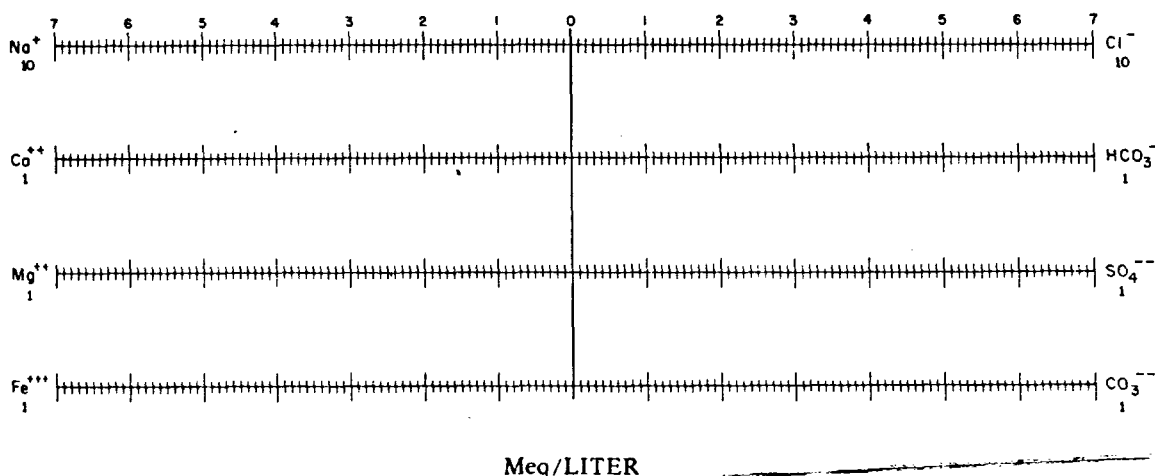
SAMPLE DESCRIPTION: Water sample from Skelly Unit WF #2 submitted for routine correlation.
Sample taken from 10-2-73.

COMPANY: Skelly Oil Company
STSR NUMBER: 107331
REQUESTED BY: Harold Langen

DATE RECEIVED: 10-3-73
ANALYZED BY: Gene Keil

	<u>Mg/L</u>	<u>Meq/L</u>	
Sodium	6,981	303.5	pH 7.7
Calcium	774	38.7	Specific Gravity at 60 °F. 1.1072
Magnesium	259	21.3	Resistivity ohms/m @ 77°F 0.310
Chloride	11,718 ✓	330.5	
Sulfate	1,272	26.5	<u>Mg/L</u>
Bicarbonate	403	6.6	Oil Content
Carbonate	0	0.0	Organic Matter
Hydroxide	0	0.0	Hydrogen Sulfide 35.0
TOTAL	21,407		
Dissolved Iron			
Total Iron	2.5	0.1	

WATER PATTERN (Stiff Method)



Remarks:

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 12
CASE NO. 5138

EXXON CHEMICAL COMPANY U.S.A.

SPECIALTIES LABORATORY

October 5, 1973

8230 Stedman, Houston, Texas 77029

EXXON
CHEMICALSWATER ANALYSIS

SAMPLE DESCRIPTION: Water sample from Skelly Unit WF #1 submitted for routine correlation.
Sample taken 10-2-73.

COMPANY: Skelly Oil Company

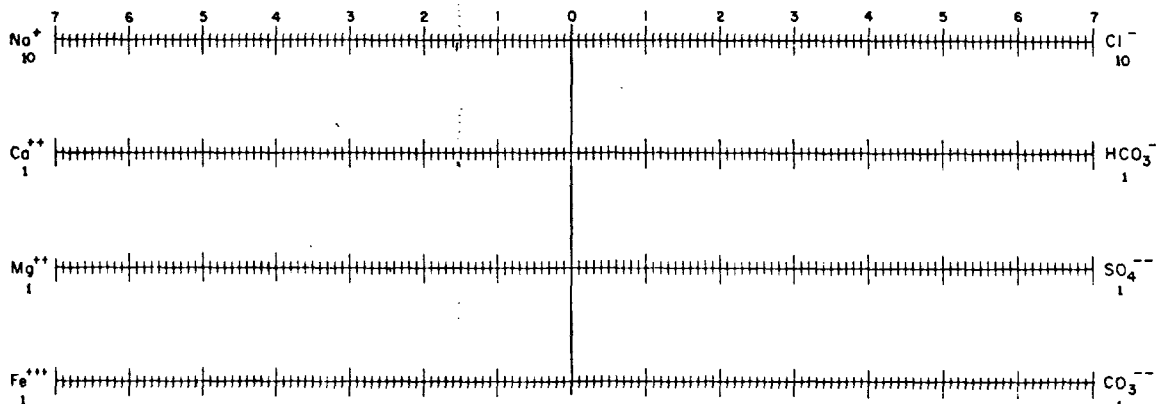
STSR NUMBER: 107330

REQUESTED BY: Harold Langen

DATE RECEIVED: 10-3-73

ANALYZED BY: Gene Keil

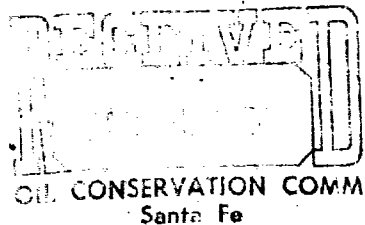
	<u>Mg/L</u>	<u>Meq/L</u>		
Sodium	55	2.4	pH	6.8
Calcium	73	3.7	Specific Gravity at 60 °F.	1.0019
Magnesium	4	0.3	Resistivity ohms/m @77°F	10.00
Chloride	34	1.0		<u>Mg/L</u>
Sulfate	142	3.0	Oil Content	
Bicarbonate	151	2.5	Organic Matter	
Carbonate	0	0.0	Hydrogen Sulfide	0.0
Hydroxide	0	0.0		
TOTAL	459			
Dissolved Iron				
Total Iron	0.59	0.0		

WATER PATTERN (Stiff Method)

Meq/LITER

Remarks:

BEFORE EXAMINE. NOTED	
U.S. CONSERVATION COMMISSION	
EXHIBIT NO. <u>11</u>	
CASE NO. <u>5138</u>	



UNIT AGREEMENT

THIS AGREEMENT, dated the 17th day of December, 1937, by and between SKELLY OIL COMPANY, a corporation, first party, and TRIMAN OIL COMPANY, W. G. SKELLY, C. C. HERNDON and W. P. Z. GERMAN, as second parties, and any other persons or companies consenting hereto,

WITNESSETH:

WHEREAS, oil and gas prospecting permits and leases for lands owned by the United States have been issued pursuant to the Act of Congress approved February 25, 1920 (41 Stat. 437), as amended, on the lands, comprising the Dow, Lea and Lynch permit areas shown on the map hereto attached and marked Exhibit A-1;

WHEREAS, the amendatory Act of Congress approved March 4, 1931 (46 Stat. 1523), authorizes permittees and lessees and their representatives to unite with each other or jointly or separately with others in collectively adopting and operating under a cooperative or unit plan of development or operation of any single oil or gas area, field or pool, for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest;

WHEREAS, the amendatory Act of Congress approved August 21, 1935 (49 Stat. 674), provides that the Secretary of the Interior for the purpose of more properly conserving the oil or gas resources of any area, field or pool, may require that leases hereafter issued under any section of this Act be conditioned upon an agreement by the lessee to operate, under such reasonable cooperative or unit plan for the development and operation of any such area, field or pool, as said Secretary

may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States;

WHEREAS, the Skelly unit area, as hereinafter defined, constitutes a single oil or gas area, field or pool within the meaning of the Acts of March 4, 1931, and August 21, 1935, supra;

WHEREAS, the Government permittees and lessees, or their representatives, hold such a part of the said unit area as will give effective control thereof;

WHEREAS, for the purpose of more properly conserving the oil and gas resources of said area, field or pool, it is necessary, convenient, and advisable in the public interest, for the parties signatory hereto, with the consent of the Secretary of the Interior, to unite in a unit plan of development and operation to promote economical and efficient development, the maximum recovery of oil, gas and associated fluid hydrocarbon substances that may be produced from said unit area without waste, and a fair apportionment of the costs and benefits involved among the parties entitled thereto.

NOW, THEREFORE, in consideration of the premises and the promises hereinafter contained, the parties hereto agree severally among themselves, and with the Secretary of the Interior, as follows:

ENABLING ACT 1. That the said Act of February 25, 1920, as
AND
REGULATIONS amended, and all pertinent regulations heretofore and all pertinent and reasonable regulations hereafter issued thereunder, including operating regulations, are accepted and made a part of this agreement; Provided, that no such regulations hereby accepted shall be inconsistent with the specific terms of the leases or of this agreement, particularly in the matter of rates of royalty and rental, or in conflict with the laws of the State in which the unit area is situated.

UNIT AREA

2. That the following described lands are hereby designated and recognized as constituting the unit area:

All Sections 14, 15, 21, 22 and 23, and the North Half of the Northwest Quarter (N/2 NW/4) of Section 26, and the North Half (N/2) of Section 27, and the North Half (N/2) and the Southwest Quarter (SW/4), and the North Half of the Southeast Quarter (N/2 SE/4) of Section 28, all in Twp. 17S, Rge. 31E, Eddy County, New Mexico.

UNITIZED
SUBSTANCES

3. That all oil, gas, natural gasoline, and associated fluid hydrocarbons within the unit area in any and all sands or horizons, hereinafter called unitized substances, are unitized under the terms of this agreement.

OPERATOR

4. That first party, Skelly Oil Company, is hereby designated as the unit operator to conduct and manage the operation of said unit area for the discovery and development of unitized substances, as hereinafter provided, and is hereinafter called "Operator." In case the Operator designated in this section shall hereafter cease, discontinue, or relinquish his rights as Operator under this agreement, first and second parties, according to their interests in the participating area, shall determine, subject to the approval of the Secretary of the Interior, who shall be the new unit operator hereunder, but the Operator designated herein, or its successors and assigns, shall continue as Operator for a period of three (3) months after notice of such relinquishment, unless the new unit operator shall have been so determined and shall have taken over and assumed the duties and obligations of Operator prior to the expiration of said period.

The right to relinquish all rights as unit operator, as hereinbefore provided, may be exercised whenever Operator is not in default under this agreement.

Relinquishment of Operator's rights, as unit operator, to less than the entire unit area subject to this agreement shall be made only on approval of the Secretary of the Interior, to be given whenever, in the judgment of said Secretary.

accomplishment of the purposes of this agreement will not be affected adversely thereby.

Assignment of any right or rights as unit operator shall be subject to approval by the Secretary of the Interior.

The costs and expenses of the development, equipment and operation of the premises for oil and gas purposes shall be borne by the first and second parties, respectively, in proportion to their respective interests in the participating area.

RIGHTS AND
OBLIGATIONS
OF OPERATOR

5. That the exclusive right and privilege, except as hereinafter specified, of exercising any and all rights of the non-operating (the second) parties, necessary or convenient for prospecting for, producing, and disposing of the unitized substances, are hereby vested in Operator; but, subject to any provision hereof to the contrary, and subject to the prior rights of the United States with respect to royalties due to it in the event of default in their payment, each of the parties of the first and second parts shall be entitled to receive directly payment for his or its respective share, less amounts to be received by the Operator for payment as royalties to the United States and overriding royalties to the persons and companies consenting hereto, of the proceeds of the sale of the unitized substances produced, saved and sold from said premises, and all such sales shall be upon joint division orders or contracts of sale executed by the first and second parties hereto; and second parties shall each have the right of access to any of the premises covered hereby at all reasonable times to inspect the logs, samples and cuttings from any and all wells drilled hereunder, and the right to inspect and audit at all reasonable times the Operator's books, records and invoices pertaining to any matter of accounting arising hereunder. Evidence of title of non-operating parties to their rights shall be deposited with Operator and, together with this agreement, shall constitute and define Operator's rights, privileges and obligations in the premises; provided

that nothing herein shall be construed to transfer title to any lands, permits, or leases.

Operator shall pay and discharge all costs and expenses incurred in the conduct and management of the operation and development of said premises under this agreement from and after effective date hereof, and shall charge the second parties hereto with their respective proportionate shares thereof on the basis of the interest of each in the participating area, as set forth in Exhibit A, attached hereto. Each of the parties shall promptly pay and discharge its proportionate part of all such costs and expenses. Operator shall bill the second parties on or before the last day of each month for their proportionate shares of such costs and expenditures during the preceding calendar month. Itemized statements shall accompany such bills. Each party shall pay its proportion of all such bills within fifteen (15) days after receipt thereof. If payment is not made within such time, the unpaid balance shall bear interest at the highest legal rate until paid. Payment of any such bill shall not prejudice the right of any party to protest or question the correctness thereof. The Operator shall have a lien on the interest of each of the other parties in the unitized area, and in the well or wells on the premises and in the oil, gas and casinghead gas produced therefrom and in the proceeds of the sale thereof and in the equipment and material on the premises, to secure the payment to the Operator of their proportionate shares of all such costs and expenses incurred or paid by Operator hereunder; and the written order of the Operator served on the purchaser or purchasers of their said respective shares in the oil, gas and casinghead gas shall authorize such purchaser or purchasers to pay the proceeds thereof to the Operator until the Operator shall have been fully reimbursed to date for and on account of such parties' respective shares of such costs and expenses together with the interest thereon, but this remedy shall not be exclusive, and said lien and remedy shall be subordinate to the rights of the United States in respect of its

claims for royalties. Operator, at its election, may require the parties hereto to advance their respective proportions of development and operating costs. Adjustments between advances required and actual costs and expenses shall be made by the Operator at the close of each succeeding calendar month and the accounts of the parties shall be adjusted accordingly.

DRILLING
AND
DISCOVERY

6. On the unitized area the following discoveries have been made:

Lynch Well No. 1, located about the center of the Northeast Quarter of the Northeast Quarter of the Northeast Quarter of Section 22, Township 17 South, Range 31 East, was commenced June 27, 1926, and drilled to a total depth of 4260 feet and plugged back to a depth of 3811 feet and completed at that depth on October 30, 1927, as a well capable of producing approximately 50 barrels of oil per day, and it was put on the pump for production on or about November 3, 1927, and is now capable of producing approximately 45 barrels per day. Said well has been twice acidized since its completion.

Lea Well No. 1, located about the center of the Northwest Quarter of the Northwest Quarter of Section 23, Township 17 South, Range 31 East, was commenced on or about July 21, 1934, and was drilled to a total depth of 3828 feet and was plugged back to 3811 feet and completed at that depth on or about October 9, 1934, as a well capable of producing approximately 49 barrels of oil per day, and is now capable of producing approximately 27 barrels per day.

Dox Well No. 1, located about the center of the Southwest Quarter of the Southeast Quarter of Section 15, Township 17 South, Range 31 East, was commenced on or about December 13, 1934, and was drilled to a total depth of 3788 feet and was completed at that depth on or about February 21, 1935, as a well capable of producing approximately 24 barrels of oil per day, and said well is now capable of producing approximately 15½ barrels of oil per day.

DEVELOPMENT 7. Prior to drilling any additional wells or within sixty (60) days after demand by the Secretary of the Interior, Operator shall submit for the approval of the Federal Oil and Gas Supervisor a plan for the further development of the unit area, which plan when so approved shall constitute the further drilling obligations of Operator and shall include an adequate and effective well-casing and well-spacing program, shall provide for complete exploration of the unit area under agreement and for the determination of the commercially productive area thereof in each and every productive sand or horizon, shall afford protection to the interests of the parties hereto and of the United States against operations not under this agreement, and shall specify the number of wells proposed to be drilled to production during each calendar year; provided that, upon approval of said supervisor, said plan for further development may be modified from time to time to meet changed conditions and the further drilling obligations shall be conformed thereto. The parties hereto agree that no further wells, except such as may be necessary to afford protection against operations not under this agreement, shall be drilled until such plan of development shall have been approved in writing by the said supervisor, and that all drilling requirements of permits, leases, operating agreements, or other contracts affecting the unit area subject to this agreement are hereby modified to conform to and be satisfied by the drilling requirements of this agreement.

PARTICIPATION 8. The parties herewith submit for approval by the Secretary of the Interior a schedule of lands, Exhibit A, attached hereto, based on aliquot parts of subdivisions of the public-land survey, which covers all lands within the unit area subject to this agreement which are now regarded as reasonably proved to be commercially productive of oil or gas; all lands in said schedule on approval by said Secretary to constitute a participating area, effective as of

the date of approval hereof. (See Exhibits A and A-1). Said schedule sets forth the ownership of operating rights to all lands included therein and the percentage interest of each owner in the total participating area subject to this agreement. Such percentage interest shall govern the participation of the owner in costs and benefits of operation from and after the date the participating area becomes effective. The participating area so established shall be revised from time to time, upon application by Operator or on the demand of the Secretary of the Interior, and subject to the approval of the Secretary of the Interior, to include additional lands regarded as reasonably proved to have become commercially productive or to exclude lands regarded as reasonably proved not to be commercially productive; and a new schedule of percentage interests conformable thereto shall thereupon be fixed. No land shall be excluded from the participating area on account of depletion of the unitized substances.

It is the intent of this section that the participating area shall at all times represent the area known or reasonably estimated to be commercially productive but, regardless of any increase or decrease of the participating area, nothing herein contained shall be construed as requiring any retroactive apportionment of any sums accrued or paid for production obtained prior to the effective date of revision of the participating area; such date to be the first day of the month next following the date of first authentic knowledge of information on which such revision is predicated.

In the absence of agreement at any time between the Operator and the Secretary of the Interior as to the proper definition of the participating area, the portion of all payments affected by such absence of agreement shall be impounded in a mutually acceptable bank pending final action.

ALLOCATION OF PRODUCTION 9. That all unitized substances produced from the participating area subject to this agreement, except any part thereof used for production and develop-

ment purposes hereunder, or unavoidably lost, shall be apportioned among and allocated on an acreage basis to the several tracts of land comprising said area; and each such tract shall have allocated to it such percentage of said production as its area bears to said participating area.

DEVELOPMENT OR
OPERATION BY
SECOND PARTIES

10. That any party hereto owning or controlling a majority interest of the operating rights in any tract included in the non-participating area having thereon a regular well location in accordance with the approved well spacing program may drill a well at such location at his own expense, unless operator elects and commences to drill such well within ninety (90) days of receipt of notice from said party of his intention to drill the well.

If such well, drilled at the expense of said party, results in production such that the land upon which it is situated may properly be included in the participating area, said party shall be reimbursed one hundred per cent (100%) of the average cost of drilling similar producing wells in the participating area subject to this agreement and appropriate revision shall be made in the participating area.

If any well drilled on the non-participating area by Operator or by said party obtains production insufficient to justify inclusion in the participating area of the land on which said well is situated, said party at his election, within thirty (30) days after determination of such insufficiency, shall be wholly responsible for and may operate and produce the well at his sole expense and for his sole benefit. If such well was drilled by Operator, said party shall pay the Operator a fair salvage value price for the casing and other equipment left in the well.

Wells drilled at the sole expense of any party, or produced at his sole expense and for his sole benefit, shall be subject to the drilling and producing requirements of this

agreement the same as though drilled or produced by Operator; and royalties in amount or value of production from any such well on land of the United States shall be paid as specified in the permit or lease affected, unless otherwise authorized in writing by the Secretary of the Interior.

RENTAL AND
ROYALTY
PAYMENTS

11. That Operator, on behalf of the respective permittees and lessees, shall pay all rentals and royalties due the United States on account of lands subject to this agreement and shall distribute the cost thereof to the parties conformably with their respective rental and royalty obligations. On request of any second party, Operator shall pay other royalties on his behalf in accordance with a schedule furnished by him and charge the cost thereof to his account; provided, that Operator shall incur thereby no responsibility to any royalty owner, but such responsibility shall be and remain an obligation of the second parties. Payments to the parties hereto and the persons and companies consenting hereto shall be made as provided in existing contracts except that such payments shall be based on production allocated to land in which they hold an interest instead of on production obtained from such land. For a statement of a consolidation of the overriding royalty interests of the persons and companies consenting hereto see Exhibit B.

GOVERNMENT
ROYALTIES AND
RENTALS

12. That royalty to the United States shall be paid at the rates specified in the respective Federal permits or leases based on the amount of production allocated to the tracts thereof; provided that, for leases in which the royalty rate on oil depends on the average daily oil production per well, the royalty rate for each such lease in each participating area shall be determined by the average daily production of the oil wells subject to this agreement producing from that participating area; and for leases in which the royalty rate on gas depends on the average daily gas production per well, the royalty rate for each such lease in

each participating area shall be determined by the average daily production of gas per well from the wells subject to this agreement producing from that participating area.

Rental for lands of the United States subject to this agreement at the rates specified in the respective Federal leases shall be paid or suspended as determined by the Secretary of the Interior, pursuant to applicable law and regulations, anything in this agreement to the contrary notwithstanding.

CONSERVATION 13. That operations shall be conducted so as to provide for the most economical and efficient recovery of unitized substances to the end that maximum ultimate yield may be obtained without waste. For the purpose of more properly conserving the natural resources of the lands embraced within this agreement, the production of unitized substances shall at all times be without waste as defined by State or Federal law; shall be limited to such production as can be put to beneficial use with adequate realization of fuel values; and in the discretion of the Secretary of the Interior shall be limited by the beneficial demand as determined by said Secretary for gas or for oil, whichever would tend to avoid excessive production of either oil or gas.

DRAINAGE

14. That Operator shall take appropriate and adequate measures to prevent drainage of oil or gas from lands subject to this agreement by wells on lands not subject to this agreement, or, with approval of the Secretary of the Interior, pay a fair and reasonable compensatory royalty as determined by the Federal oil and gas supervisor.

LEASES CONFORMED
TO AGREEMENT

15. The parties hereto holding leases or permits embracing lands of the United States subject to this agreement, and the persons and companies consenting hereto, consent that the Secretary of the Interior shall, and said Secretary by his approval of this agreement does, establish, alter, change, or revoke the drilling, producing, and

royalty requirements of such leases and permits and the regulations in respect thereof, to conform said requirements to the provisions of this agreement.

The Secretary of the Interior further agrees and consents that during the effective life of this agreement, the prospecting, drilling, and producing operations performed by the unit operator upon any lands subject hereto will be accepted and deemed to be operations under and for the benefit of all such leases; that suspension of operations or production on any such lease shall be deemed not to have occurred if there be operations or production on any part of the unit area subject to this agreement; that no such lease shall be deemed to expire by reason of failure to produce wells situated on land therein embraced; and that suspension of all operations and production on the unit area pursuant to direction or consent of said Secretary shall be deemed to constitute such suspension pursuant to such direction or consent with respect to each such lease.

All agreements among the parties hereto and the persons and companies consenting hereto are hereby modified or amended to the extent they conflict with this agreement so that the terms of this agreement shall prevail.

EXTENSION OF PERMITS AND ISSUANCE OF LEASES 16. The Secretary of the Interior as evidenced by his approval of this agreement, consents and agrees that, as to the lands of the United States within the unit area;

(1) Compliance with the terms of this agreement shall be deemed to be compliance with the applicable conditions of prior extensions of oil and gas prospecting permits subject hereto that were conditionally extended to December 31, 1937, by Act of Congress approved August 21, 1935, supra.

(2) Oil and gas prospecting permits subject to this agreement and in good standing thereunder, expiring on or before December 31, 1937, shall be and they are hereby

extended to said date subject to compliance with the terms of this agreement by and on behalf of the permittee.

(3) When any oil and gas prospecting permit has been determined by said Secretary to have been, on or before its date of expiration, wholly or in part within the limits of any producing oil or gas field to which this agreement shall pertain, which permit has been included in this agreement, on prompt and proper application therefor a lease or leases in conformity with Section 14 of the Act of February 25, 1920, as amended, supra, will be issued for the area of the permit included in this agreement without further proof of discovery.

COVENANTS RUN WITH LAND 17. That the covenants herein run with the land

_____ until this agreement terminates, and any grant, transfer, or lease of interest in lands, permits, or leases subject hereto shall be conditioned on the assumption of all privileges and obligations hereunder by the grantee, transferee, lessee, or other successor in interest and as to Federal land shall be subject to approval by the Secretary of the Interior.

EFFECTIVE DATE AND TERM 18. That this unit plan shall become effective

_____ on the first of the calendar month next following approval by the Secretary of the Interior and shall remain in effect so long thereafter as oil or gas can be produced in paying quantities or until it is proved that the unit area is no longer capable of commercial production of oil or gas and, with approval of the Secretary of the Interior, notice of termination for non-productivity is given by Operator to all parties in interest; provided, that this agreement may be terminated at any time by unanimous consent of the first and second parties hereto with approval of the Secretary of the Interior.

RATE OF PROSPECTING

DEVELOPMENT AND PRODUCTION 19. That all production and the disposal thereof

shall be in conformity with allocations, allotments, and quotas made or fixed by any duly authorized

person or regulatory body under any Federal or State statute; provided, that the Secretary of the Interior is vested with authority, pursuant to the amendatory Acts of March 4, 1931, and of August 21, 1935, to alter or modify from time to time in his discretion, the rate of prospecting and development and the quantity and rate of production under this agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification.

DETERMINATIONS
BY OPERATOR
AND REVIEW THEREOF

20. That Operator shall determine the date of first authentic knowledge of information on which revision of any participating area shall be predicated; shall determine whether any well, horizon, land, or area subject to this agreement is proved or regarded as reasonably proved to be or to have been commercially productive or not commercially productive, it being understood and agreed that commercial productivity shall be the productive capacity estimated to be sufficient to return normal drilling and production costs under wise and skillful management; and shall determine other matters involved in this agreement for which a different method of determination is not herein established; Provided, that Operator shall give timely notice of all such determinations to all interested parties, including the Secretary of the Interior; Provided, further, that all such determinations may be reviewed by the Secretary of the Interior on his own initiative or on written request of any interested party, notice of any such review to be given to all interested parties, including Operator, within sixty (60) days after receipt of notice of Operator's determination; and Provided, farther, that any matters so reviewed, on request or consent of Operator, may be submitted to a committee of three competent persons appointed by said Secretary, one on nomination of Operator, one on nomination of the second parties (Skelly Oil Company to become a second party for this purpose if it should cease to be

the Operator), and the third on nomination of the first two, the cost of such committee to be a cost of operation and its report (which shall be binding on the committee when concurred in by any two of its members) to be submitted to said Secretary and copies thereof by him to Operator and other interested parties; and Provided, further, that opportunity shall be given in said review for all first and second parties to present their contentions and supporting evidence by written or oral communication to said committee or said Secretary, and that after consideration of all credible evidence said Secretary shall render a reasonable decision based thereon and in conformity therewith, which decision, so made and rendered, shall be final and binding on all parties hereto and those consenting hereto.

COUNTERPARTS 21. That this agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective names the date of execution and a list of the lands made subject to this agreement.

DESCRIPTION OF LAND: DATE OF EXECUTION

Sec. 22 and N/2 of
Sec. 27, T. 17S, R. 31E Dec. 20, 1937 By

SKELLY COMPANY

Vice-President

Attest:

Witness:

FIRST PARTY

DESCRIPTION OF LAND:

DATE OF
EXECUTION:

TRIMBLE COMPANY

Secs. 15 and 21, and
N2 and SW4 and N2 SE4
Sec. 28, T. 17S, R. 31E.

Dec. 17, 1937

V. President

Attest:

[Signature]
Asst. Secretary

Witness:

[Signature]
[Signature]

S2 and S2 of NW4 of
Sec. 14, and N2 and
N2 SW4 of Sec. 23,
T. 17S, R. 31E.

Dec. 17, 1937

[Signature]
(W. G. Skelly)

Witness:

[Signature]
[Signature]

NE4 and N2 NW4 of
Sec. 14, T. 17S,
R. 31E.

Dec. 17, 1937

[Signature]
(C. C. Herndon)

Witness:

[Signature]
[Signature]

N2 NW4 of Sec. 26
and SE4 and S2 SW4
of Sec. 23, T. 17S,
R. 31E.

Dec. 17, 1937

[Signature]
(W. F. German)

Witness:

[Signature]
[Signature]

SECOND PARTIES

3

3

CONSENT TO AGREEMENT BY OVERRIDING ROYALTY OWNERS

The undersigned owners of royalty in the participating acreage covered by the above and foregoing unit agreement hereby consent to and agree to be bound by the terms of said agreement as and when same is approved by the Secretary of the Interior in so far as their respective royalty interests are concerned.

Witness:

_____	(Baulah V. Lynch)
_____	(J. S. Lea)
_____	(Hiram M. Dow)
_____	(Marshall & Winston, Inc.)
_____	(S. S. Sherman)
_____	(Paul McCune)
_____	(Charles M. Rath)
_____	(Oil Royalties Corporation)
_____	(E. C. Higgins)
_____	(F. A. Andrews)

CONSENTING PARTIES

CONSENT TO AGREEMENT BY OVERRIDING ROYALTY OWNERS

The undersigned owners of royalty in the participating acreage covered by the above and foregoing unit agreement hereby consent to and agree to be bound by the terms of said agreement as and when same is approved by the Secretary of the Interior in so far as their respective royalty interests are concerned.

Witness:

(Beriah V. Lynch)

(J. S. Lea)

(Hiram M. Dow)

ATTEST: *Samuel J. Sherman*
Secretary and Treasurer.

X
(Marshall & Winston, Inc.)
THE INTERMOUNTAIN ROYALTY COMPANY
By: *Samuel J. Sherman*
(~~Samuel J. Sherman~~) President.

(Paul McCune)

Charles M. Rath
(Charles M. Rath)

(Oil Royalties Corporation)

(E. C. Higgins)

(F. A. Andrews)


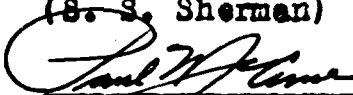
CONSENTING PARTIES



CONSENT TO AGREEMENT BY OVERRIDING ROYALTY OWNERS

The undersigned owners of royalty in the participating acreage covered by the above and foregoing unit agreement hereby consent to and agree to be bound by the terms of said agreement as and when same is approved by the Secretary of the Interior in so far as their respective royalty interests are concerned.

Witness:

_____	_____
_____	(Beulah V. Lynch)
_____	_____
_____	(J. S. Lee)
_____	_____
_____	(Hiram M. Dow)
_____	_____
_____	(Marshall & Winston, Inc.)
_____	_____
_____	(S. S. Sherman)
	
_____	(Paul McCune)
_____	_____
_____	(Charles M. Rath)
_____	_____
_____	(Oil Royalties Corporation)
_____	_____
_____	(E. C. Higgins)
_____	_____
_____	(F. A. Andrews)

CONSENTING PARTIES

CONSENT TO AGREEMENT BY OVERRIDING ROYALTY OWNERS

The undersigned owners of royalty in the participating acreage covered by the above and foregoing unit agreement hereby consent to and agree to be bound by the terms of said agreement as and when same is approved by the Secretary of the Interior in so far as their respective royalty interests are concerned.

Witness:

(Baulah V. Lynch)

(J. S. Lea)

(Hiram M. Dow)

Charles Winston _____
Sam H. Marshall _____
(Marshall & Winston, Inc.)

(S. S. Sherman)

(Paul McGune)

(Charles M. Rath)

George W. Nelson _____
W. J. Gordon _____
(Oil Royalties Corporation)

(E. C. Higgins)

Sam H. Marshall _____
F. A. Andrews _____
(F. A. Andrews)

CONSENTING PARTIES

HAROLD GOS

Handwritten signature

Handwritten signature

6

Handwritten signature

ILLEGIBLE

EXHIBIT A

Schedule of Lands Included Within Participating Area
and Percentage Acreage Interest of Each Owner

<u>OWNER</u>	<u>ACREAGE OWNED</u>	<u>PERCENTAGE OF INTEREST IN TOTAL PARTICIPATING AREA</u>
Skelly Oil Company	N2 & N2 S2 of Section 22	33 - 1/3%
Triman Oil Company	S2 of Section 15	33 - 1/3%
W. G. Skelly (1/3 undivided)	N2 & N2 SW4 & NW4 SE4 of	
C. C. Herndon (1/3 interest)	Sec. 23, and S2 Sec. 14,	33 - 1/3%
W. P. Z. German (1/3 each)	All T. 17S, R. 31E.	

1560 acres

(See Exhibit A-1 attached)

EXHIBIT B

PROPORTIONATE OVERRIDING ROYALTY OWNERSHIP UNDER
PROPOSED PARTICIPATING AREA OF SKELLY UNIT AREA.

BEULAH V. LYNCH LEASE #3622,
J. S. LEA PERMIT #029418, and
HIRAM M. DOW PERMIT #029420,
EDDY COUNTY, NEW MEXICO

Beulah V. Lynch	124/585 of $7\frac{1}{2}\%$ 124/585 of $7\frac{1}{2}\%$	Roswell, New Mexico
XXXXXXXXXX	XXXXXXXXXXXXXXX	XXXXXXXXXXXXXXX
Hiram M. Dow	204/585 of $7\frac{1}{2}\%$ 124/585 of $7\frac{1}{2}\%$	Roswell, New Mexico
✓ Marshall & Winston, Inc.	72/585 of $7\frac{1}{2}\%$	480 I. W. Hellman Bldg. Los Angeles, Calif.
<i>Intermountain</i> S. S. Sherman	12/585 of $7\frac{1}{2}\%$	1401 E. 12th Avenue Denver, Colorado
Paul McCune	2/585 of $7\frac{1}{2}\%$	Fort Worth, Texas (Burk Burnett Bldg.)
✓ Charles M. Rath	2/585 of $7\frac{1}{2}\%$	1254 Cook St., Denver, Colorado
✓ Oil Royalties Corporation	22/585 of $7\frac{1}{2}\%$	826 I. N. Van Huys Bldg. Los Angeles, Calif.
E. C. Higgins	30/585 of $7\frac{1}{2}\%$	Artesia, New Mexico
✓ F. A. Andrews	72/585 of $7\frac{1}{2}\%$	233 S. Van Ness Ave., Los Angeles, Calif.