

Re: IN THE MATTER OF SKELLY OIL COMPANY SEEKING ADMINISTRATIVE APPROVAL FOR AN EXCEPTION TO STATEWIDE RULE NO. 309 AS 5) PERTAINING TO A CENTRAL TANK BATTERY FOR PRODUCTION FROM WELLS IN THE DOLLARHIDE ELLENBURGER POOL, LEA COUNTY, NEW MEXICO

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Comes now SKELLY OIL COMPANY a Delaware Corporation, with offices in Tulsa, Oklahoma and Hobbs, New Mexico, hereby petitioning the Secretary of the New Mexico Oil Conservation Commission for administrative approval for an exception to Statewide Rule No. 309 as pertaining to a central tank battery for production from wells on our Mexico "J" and "L" leases in the Dollarhide Ellenburger Pool, Lea County, New Mexico.

In Support of this application for administrative approval for an exception to Rule No. 309, we wish to make the following statements:

1. That the petitioner's Mexico "J" lease is the 320 acre tract confined by the S/2 of Section 32, Township 24 South, Range 38 East, which has 2 Dollarhide Ellenburger wells: No. 2 and 4.
2. That the petitioner's Mexico "L" lease is the 320 acre tract confined by the N/2 of Section 5, Township 25 South, Range 38 East, which has 3 Dollarhide Ellenburger Wells: No. 1, 3 and 4.
3. That the above tracts are contiguous.
4. That all the production is from the same common source of supply, namely, the Dollarhide Ellenburger Formation.
5. That no more than sixteen units will be produced into a common tank battery and adequate facilities will be provided for accurately determining production from each well at reasonable interval.
6. That the above two tracts concern but a single royalty owner, namely, the State of New Mexico, and are both dedicated to a common beneficiary.

CTC - 29
(Warrant)

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

(2) April 16, 1959

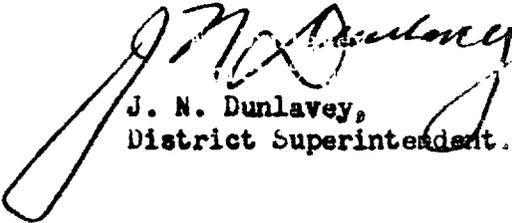
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7. That a plat of this general area showing offset ownership, present Hollartide Allenburger Wells, present tank battery and flow lines and proposed flow lines, has been prepared and is accurate and complete to the best of our knowledge.
8. That all offset operators have been notified by Registered Mail with a copy of this application.
9. That all lease interest owners have consented in writing to the comingling of production from the separate leases.

Therefore, so that undue hardship will not be enforced, Skelly Oil Company requests that the Secretary of the Commission administratively grant an exception to Statewide Rule 309, by which oil from separate State leases may be produced into a central tank battery.

Very truly yours,

SKELLY OIL COMPANY


J. N. Dunlavey,
District Superintendent.

JND/ARB

cc: State Land Office
Santa Fe, New Mexico

New Mexico Oil Conservation Comm.
Box 2045
Hobbs, New Mexico

Mr. George W. Selinger
Skelly Oil Company
Tulsa, Oklahoma

L. E. Elliott
Box 703
Roswell, New Mexico

Culbertson & Irwin
Box 1071
Midland, Texas

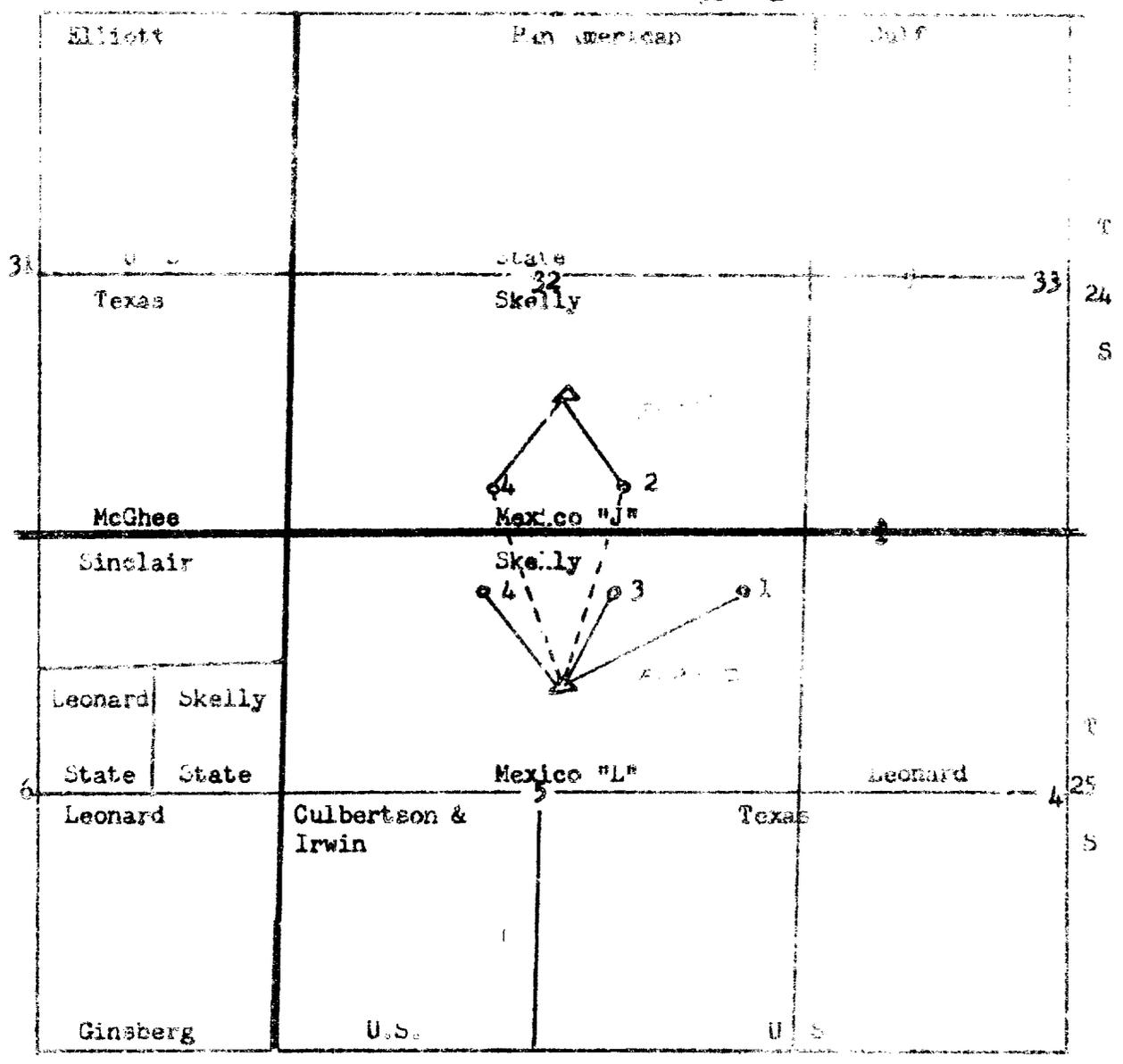
Gulf Oil Corporation
Box 2167
Hobbs, New Mexico

The Texas Company
Box 352
Midland, Texas

Sinclair Oil & Gas Company
Box 1470
Hobbs, New Mexico

Leonard Oil Corporation
Box 872
Roswell, New Mexico

J. C. Maxwell
Continental National Bank Building
Fort Worth, Texas



- wells
- ▲ Tank Batteries
- Flow Lines
- - Proposed Flow Lines

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
WEST TEXAS DIVISION

P. O. BOX 1720
FORT WORTH 1, TEXAS

April 15, 1959

CENTRALIZED TANK BATTERIES
Dollarhide Pools
Lea County, New Mexico

Mr. J. N. Dunlavey
Skelly Oil Company
Box 38
Hobbs, New Mexico

Dear Sir:

Please be advised that The Texas Company approves Skelly's request to centralize the tank batteries on the Mexico "J" and "L" Leases, Dollarhide Pools, Lea County, New Mexico. This approval is given with the understanding that no additional equipment is necessary for the Mexico "L" tank battery to handle the additional wells.

Yours very truly,

W. C. Lenz
Superintendent of
Drilling and Production

ERFjr-JW

J. C. MAXWELL
PETROLEUM PRODUCER
CONTINENTAL NATIONAL BANK BUILDING
FORT WORTH, TEXAS

April 6, 1959

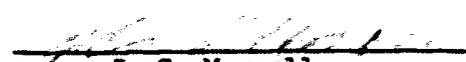
Skelly Oil Company
Box 38
Hobbs, New Mexico

Attention: Mr. J. N. Dunlavey

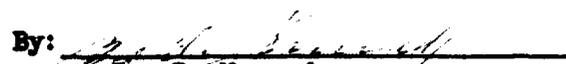
Dear Mr. Dunlavey:

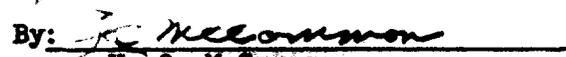
As requested in your letter of April 1, the signers of this letter hereby give their consent to centralize the tank batteries on the Mexico "J" and "L" leases, Dollarhide Pools, Lea County, New Mexico.

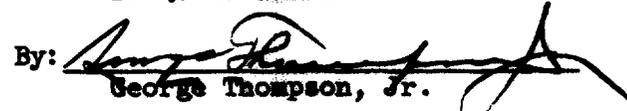
Yours sincerely,


J. C. Maxwell

Joe D. Kennedy, Y. Q. McCannon and
George Thompson Jr., Trustees of the
Marilyn Maxwell Trust

By: 
Joe D. Kennedy

By: 
Y. Q. McCannon

By: 
George Thompson, Jr.


Joseph D. Kennedy