

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 5, 1960

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Skelly Oil Company
P. O. Box 38
Hobbs, New Mexico

Attention: Mr. J. N. Dunlavey

Administrative Order CTB No. 53

Gentlemen:

Reference is made to your application for administrative approval of an exception to Rule 309 (a) of the Rules and Regulations of the Oil Conservation Commission to permit the commingling of the oil produced from the following described State of New Mexico oil and gas leases in the Lovington - Abo Pool, Lea County, New Mexico, to-wit:

State "Q" Lease (B-7845) comprising S/2 SE/4 of Section 36, and State "R" Lease (B-7766-2) comprising NW/4 and E/2 SW/4 of Section 36

all in Township 16 South, Range 36 East, NMPM.

By the authority vested in me under the provisions of Rule 309 (b) of the Rules and Regulations of the Oil Conservation Commission of New Mexico, I hereby authorize you to commingle the production from the above-described leases from the Lovington-Abo Pool in a common tank battery.

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Nothing contained herein shall be construed as authorizing the production of more than sixteen wells into a single tank battery.

Very truly yours,

**A. L. PORTER, Jr.,
Secretary-Director**

ALP/OEP/og

**cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs**

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Refer Reply to
Oil & Gas Royalty Division

March 16, 1960

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Skelly Oil Company
P. O. Box 38
Hobbs, New Mexico

Re: Central Tank Battery
Lovington Abo Pool

Attention: J. N. Dunlavey

Gentlemen:

Permission is hereby granted to you to commingle the production from your State "Q" Lease, being wells 3 and 4 in the Lovington Abo Pool, contained in Lease B-7845, located in the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 36, Township 16 South, Range 36 East, with your State "R" Lease, being wells 5 and 6 in the Lovington Abo Pool, contained in Lease B-7766-2 and B-7766-5, located in the NW $\frac{1}{4}$, and the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 36, Township 16 South, Range 36 East.

All of this acreage has a common beneficiary, that being Common Schools.

Yours very truly,

MURRAY E. MORGAN
COMMISSIONER OF PUBLIC LANDS
By:

Ted Bilberry
Supervisor Oil & Gas Division

MEM:TB:ML

Re: GENERAL ORDER FOR ADMINISTRATIVE APPROVAL FOR APPLICATION FOR STATEWIDE RULE NO. 309 AS PERTAINING TO A CENTRAL TANK BATTERY FOR PRODUCTION FROM WELLS IN THE LOVINGTON ABO POOL, LEA COUNTY, NEW MEXICO.

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

CTB-53
(waiting period)
file April 3, 1960

Gentlemen:

Comes now SHELLY 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 State "Q" and "R" leases in the Lovington Abo 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:

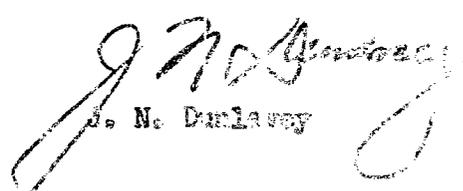
1. That the petitioner's State "Q" lease is the 80 acre tract confined by the S/2 SE/4 Section 36, Township 16 South, Range 36 East, which has two (2) Lovington Abo wells: Nos. 1 & 4.
2. That the petitioner's State "R" lease is the 240 acre tract confined by the NW/4 & E/2 SW/4 Section 36, Township 16 South, Range 36 East, which has 2 Lovington Abo wells: Nos. 2 & 6.
3. That the above tracts are contiguous.
4. That all production is from the same common source of supply, namely, the Lovington Abo 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.
7. That a plat of this general area showing offset ownership, present Lovington Abo 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 Skelly Oil Company is the sole lease holder of all of the separate leases.

Therefore, so that undue hardship will not be enforced, Skelly Oil Company requests that the Secretary of the Commission grant an exception to Statewide Rule No. 309, by which oil from separate leases may be produced into a central tank battery.

Yours very truly,

SKELLY OIL COMPANY



J. N. Dunlavy

JND/ARB/c

cc: State Land Office
Santa Fe, New Mexico

Pan American Petroleum Corporation
P. O. Box 68
Hobbs, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2085
Hobbs, New Mexico

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

Wheeler Oil Company
P. O. Box 124
Hobbs, New Mexico

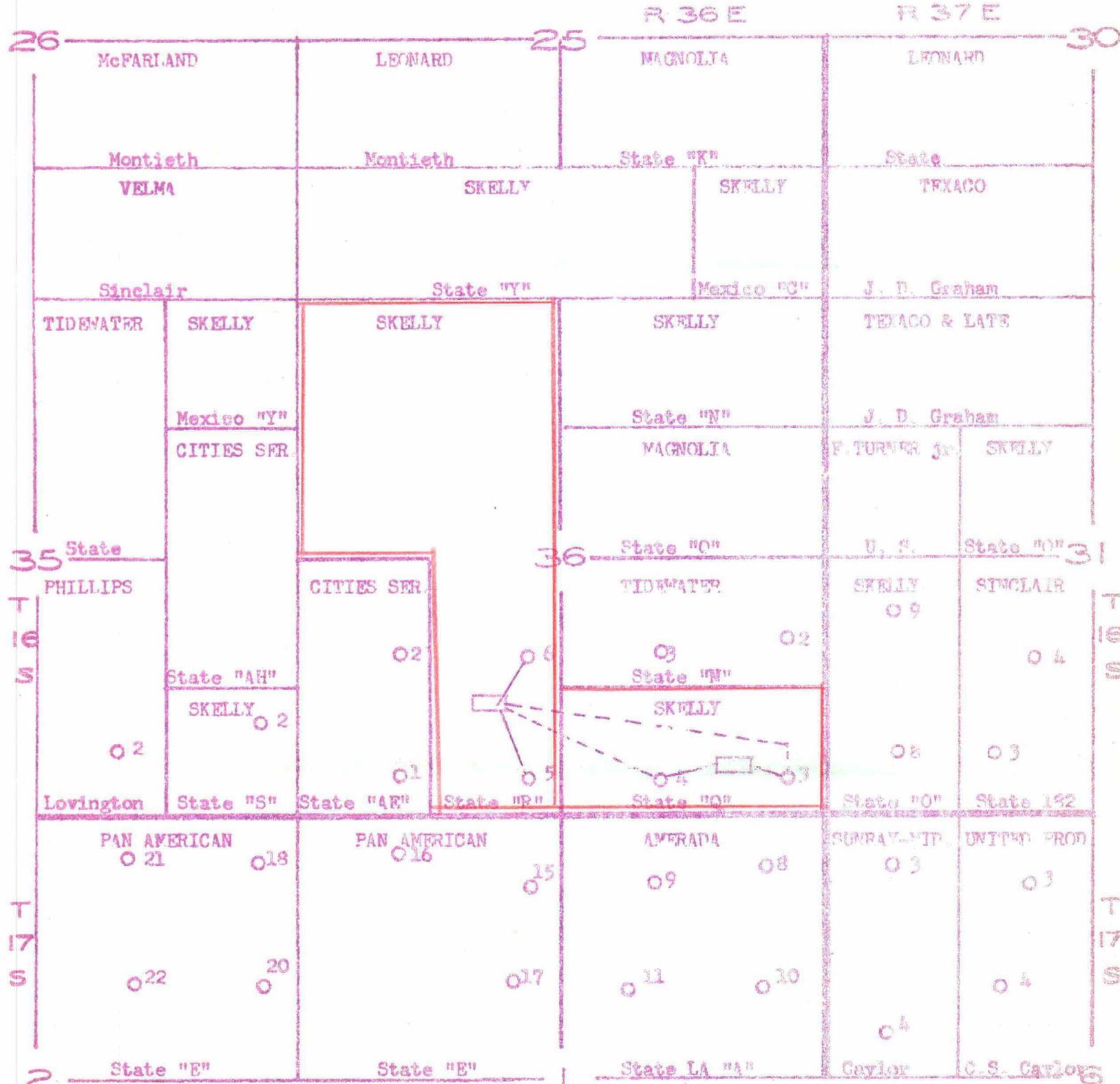
American Petroleum Corporation
P. O. Drawer 107
Hornsea, New Mexico

Cities Service Oil Company
P. O. Box 57
Hobbs, New Mexico

Holia Oil Company
P. O. Box 2000
Hobbs, New Mexico

Sunray Mid-Continent Oil Company
P. O. Box 122
Hobbs, New Mexico

SKELLY OIL COMPANY
 LOVINGTON ABO POOL
 T-16-S R-36 & 37-E
 T-17-S R-36 & 37-E
 LEA COUNTY, NEW MEXICO



-  Tank Battery
-  Flow Lines
-  Proposed Flow Lines

Scale 1" = 1320 ft.