

Re: IN THE MATTER OF SKELLY OIL  
COMPANY SEEKING ADMINISTRATIVE  
APPROVAL FOR AN EXCEPTION TO  
STATEWIDE RULE NO. 309 AS 50  
PERTAINING TO A CENTRAL TANK  
BATTERY FOR PRODUCTION FROM  
WELLS IN THE DOLLARHIDE ELLEN-  
BURGER 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.

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

(2) April 16, 1959

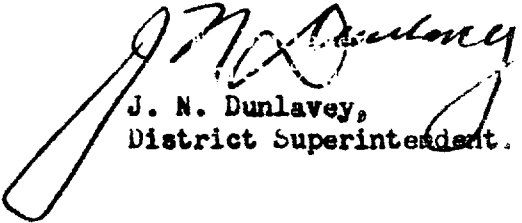
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7. That a plat of this general area showing offset ownership, present Hollarhide Allenburger Wells, present tank battery and flow lines and proposed flow lines, has been prepared and is accurate and complete to the best of our knowledge.
8. That all 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

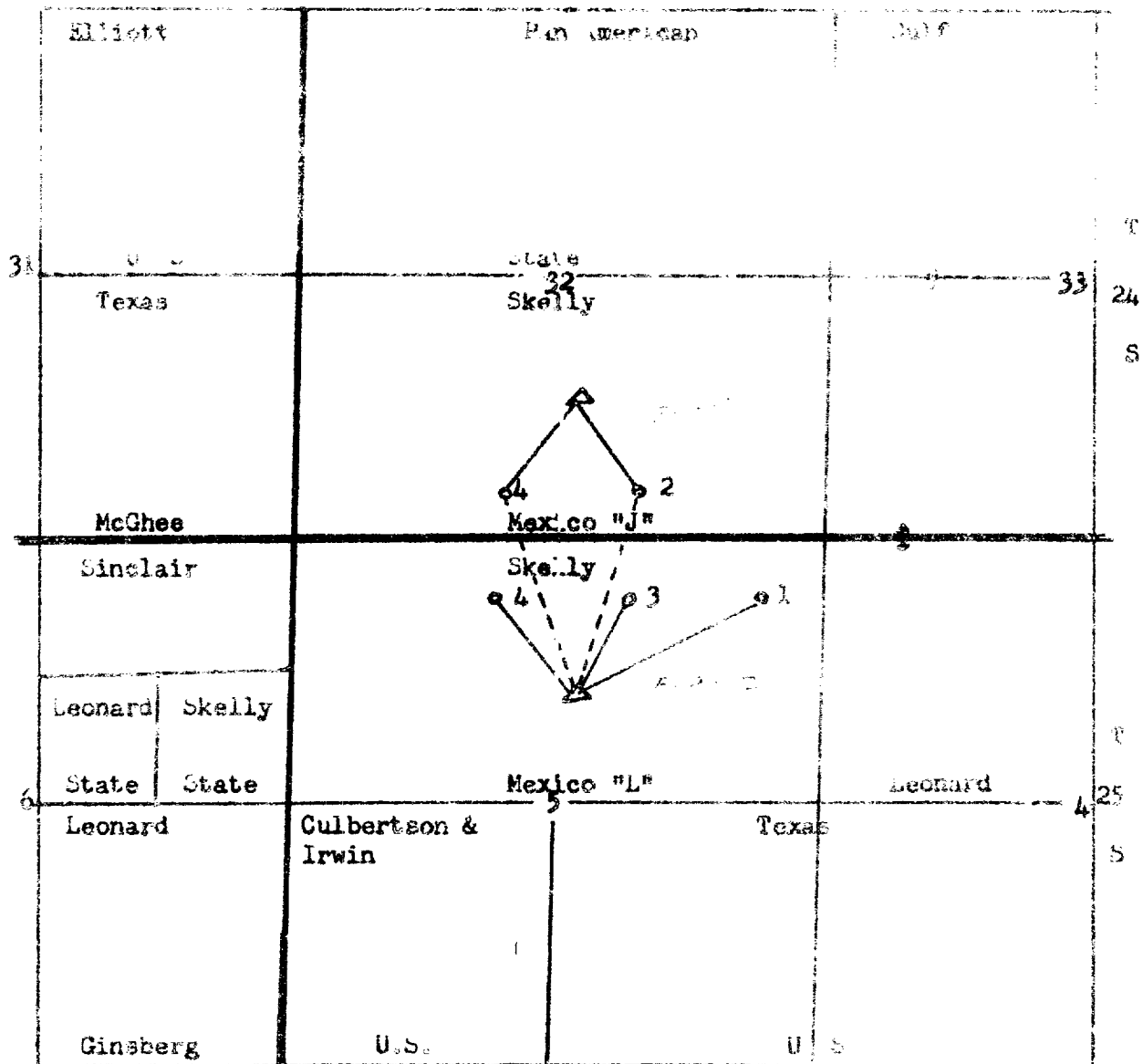
Gulf Oil Corporation  
Box 2167  
Hobbs, New Mexico

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

### A 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,

A handwritten signature in dark ink, appearing to read "W. C. Lenz". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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