



MAIL OFFICE 000

LETTER IN SKELLY OIL COMPANY

Case # 1250

Box 38, Hobbs, New Mexico

April 10, 1957

RE: APPLICATION OF SKELLY OIL COMPANY FOR ADMINISTRATIVE APPROVAL TO PRODUCE MORE THAN EIGHT WELLS INTO A COMMON TANK BATTERY IN EXCEPTION TO RULE 309 (a).

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

With this letter, Skelly Oil Company is petitioning the Secretary of the New Mexico Oil Conservation Commission for an exception to Rule 309 (a) whereby more than eight wells can produce into a common tank battery, and in support thereof does state:

1. That the applicant is the owner of an oil and gas lease known as the Dow "B" which includes Sections 21, 28, and 33-17S-31E, Eddy County, New Mexico.
2. That a total of eight wells, Dow "B" Nos. 2, 3, 4, 5, 6, and 7 in Section 21 and Nos. 1 and 11 in Section 28 are producing oil wells completed in the Grayburg-Jackson Oil Pool and are producing into a common tank battery.
3. That the applicant recently completed its Dow "B" No. 22 located in SW/4 SW/4 Section 21-17S-31E in the Grayburg-Jackson Oil Pool.
4. That the present eight wells are producing a total of around 50 BOPD, and although the recently completed Dow "B" #22 potentialled for 288 BOPD, it is anticipated that the decline will be rapid.
5. That erecting a tank battery for the Dow "B" #22 would be unnecessary and create an economic hardship on the operator.
6. That adequate testing equipment will be installed whereby periodic production tests can be obtained on all wells producing into the battery.

April 10, 1957

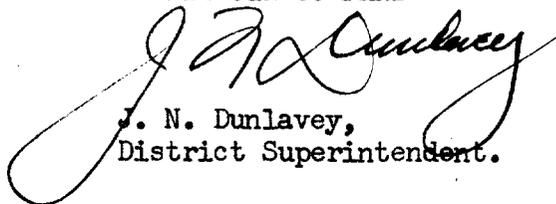
7. That offset operators have been notified by registered mail with a copy of this application.
8. That a plat showing the well locations, tank battery location, and offset ownership is attached.

Therefore, in the interest of conservation and to prevent undue economic hardship on the operator, Skelly Oil Company requests that the Secretary of the New Mexico Oil Conservation Commission grant an exception to Rule 309 (a) whereby the petitioner may produce more than eight unit wells into a common battery.

I hereby certify that the information given above is true and complete to the best of my knowledge.

Respectfully submitted,

SKELLY OIL COMPANY


J. N. Dunlavey,
District Superintendent.

JND/JDR/e

SWORN AND SUBSCRIBED to before me this 11th day of April, 1957.



Notary Republic My Commission Expires Aug. 19, 1960

cc: Kersey & Co.
Box 305
Artesia, New Mexico

Murchison & Closuit
1019 Fort Worth National Bank Bldg.
Fort Worth, Texas

Mr. George W. Selinger
Tulsa, Oklahoma

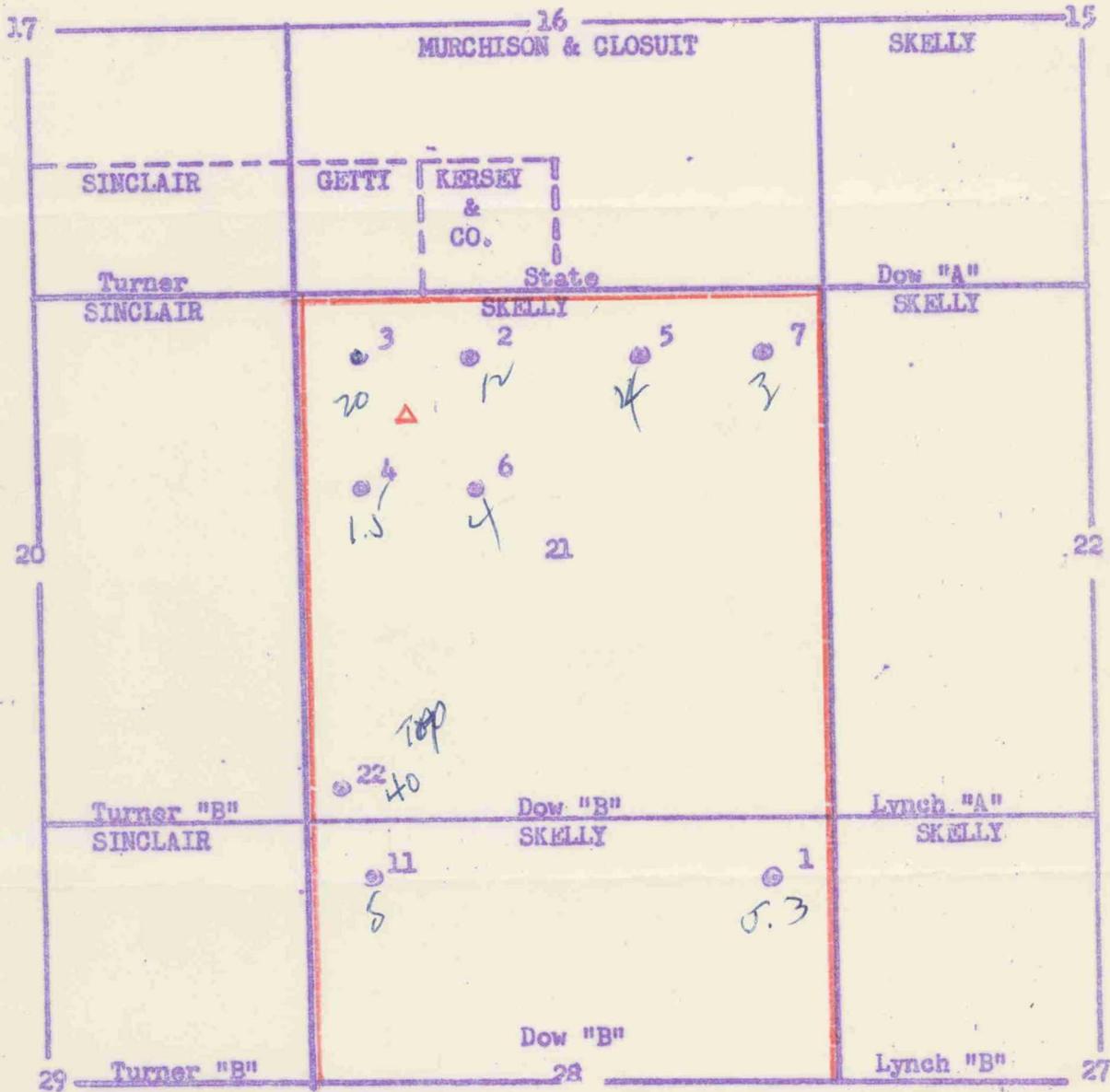
Sinclair Oil & Gas Co.
520 E. Broadway
Hobbs, New Mexico

Getty Oil Company
% Tide Water Oil Co.
Box 547
Hobbs, New Mexico

U. S. G. S.
Box 187
Artesia, New Mexico

SKELLY OIL COMPANY
DOW "B" LEASE

31E



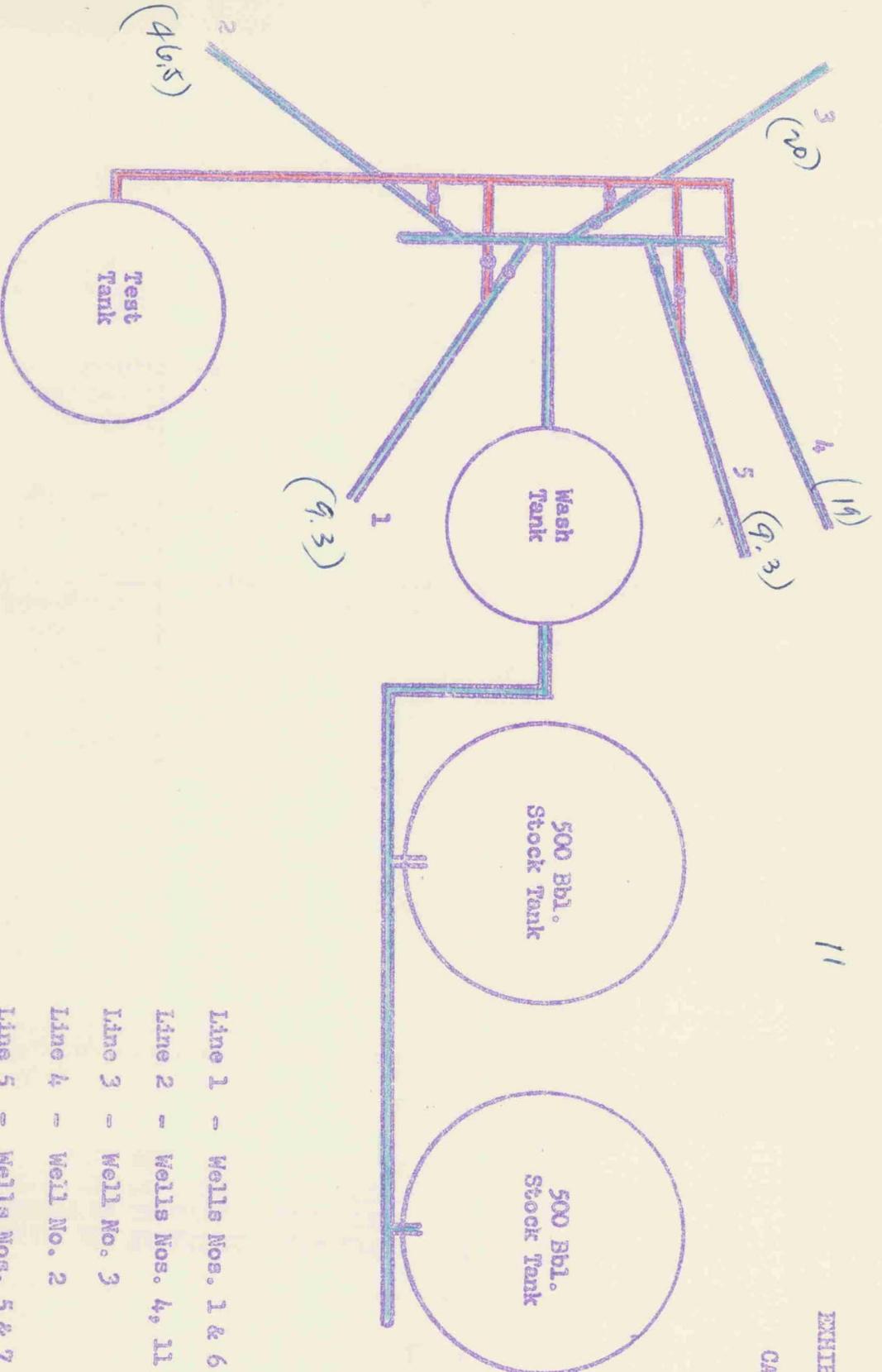
17
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- △ Tank Battery
- ⊙ Subject Wells

Scale 3" = 1 mile

SMELLY OIL COMPANY
 DOW "B" LEASE

PROPOSED TEST HOOKUP



11

EXHIBIT NO. 2
 CASE NO. 1250

- Line 1 - Wells Nos. 1 & 6
- Line 2 - Wells Nos. 4, 11 & 22
- Line 3 - Well No. 3
- Line 4 - Well No. 2
- Line 5 - Wells Nos. 5 & 7

BEFORE THE
 OIL CONSERVATION COMMISSION
 SANTA FE, NEW MEXICO
 1250 EXHIBIT NO. 2
 CASE 1250 app

