

(COPY)

SKELLY OIL COMPANY

Tulsa, Oklahoma

January 20, 1933

File: State Lease No. 5943.

Dr. E. H. Wells, State Geologist
New Mexico State Land Office
Santa Fe, New Mexico

Dear Sir:

We are preparing to commence immediately the drilling of a well on our State Lease No. 5943, described as the S/2, SW/4, Section 17-18S-38E, Lea County, New Mexico, which is in the Hobbs pool.

Two locations west of our lease, Gypsy Oil Company recently completed a well in which they obtained permission from you to run only one string of casing instead of the customary two strings. We have felt for some time that one string of casing is sufficient for a well at Hobbs, in which opinion Gypsy, as well as other operators, have concurred. It has been my understanding from Gypsy Oil Company that they were allowed to run only one string of pipe in their well just as an experiment, and we are now informed by them that the experiment was successful, and that it is their opinion that you will now - on the assumption that you also are of the opinion that the experiment was successful - grant to other operators permission to run only one string of casing.

We therefore wish to obtain from you permission to run only one string (7") in our well. As you can see, the use of one string instead of two will reduce our drilling costs considerably, and we should appreciate very much advice from you that we may complete our well with only one string as was done in the case of Gypsy's well.

Will you please advise.

Very truly yours,

J. S. FREEMAN

JSF/ed
cc-Mr. Creeden