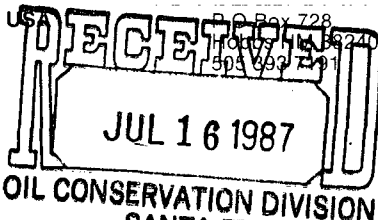




Texaco USA



July 14, 1987

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Attention: Mr. David Catanach

RE: Non-Standard Gas Proration Unit
Skelly "B" State Com. Well No. 7
Unit Letter E, Sec. 16, T-21S, R-36E
Lea County, New Mexico

Gentlemen:

Texaco Producing Inc. respectfully requests a 320-acre non-standard gas proration unit for the referenced well. The well has previously been producing with a 160-acre non-standard proration unit. Special rules for the Eumont Gas Pool make allowances for proration units of less than 640 acres as long as the location of the well meets certain distance requirements. The referenced well meets those requirements since it is more than 660' from the nearest side boundary and it is 990' from the nearest end boundary. A revised C-102 showing the 320-acre proration unit that has been formed by communization and consists of the N/2 of the section is attached for your approval.

Attached also is a plat of the lease and a list of Offset Operators that have been notified of this request by a copy of this letter.

Yours very truly,

L. J. Seeman

L. J. Seeman
District Petroleum Engineer

LDR:JRB

Attachments

cc: NMOCD
P. O. Box 1980
Hobbs, NM 88240

Offset Operators
(Address List Attached)

*393-7191
Rielencor*

OFFSET OPERATORS
Skelly "B" State Com. Well No. 7
N/2 Section 16, T-21-S, R-36-E
Lea County, New Mexico

Chevron USA, Inc.
P. O. Box 670
Hobbs, New Mexico 88240

Arco Oil & Gas Company
P. O. Box 1610
Midland, Texas 79702

Cities Service Oil & Gas Corp.
P. O. Box 1919
Midland, Texas 79705

Exxon Company U.S.A.
P. O. Box 1600
Midland, Texas 79702

Conoco, Inc.
P. O. Box 1959
Midland, Texas 79702

Chevron		Chev- ron	Conoco	Arco	Exxon
8				9	10
17		16			15
TPI		TPI			Chevron
		TPI "AW" B-1666			
		TPI "AX" B-1616			
		Skelly B State B-1327			
Conoco		Cities Service		TPI	Chevron
20		21			22

Texaco Producing Inc.
 Skelly B State Com. Well No. 7
 N/2 Section 16, T-21-S, R-36-E
 Lea County, New Mexico

All distances must be from the outer boundaries of the Section.

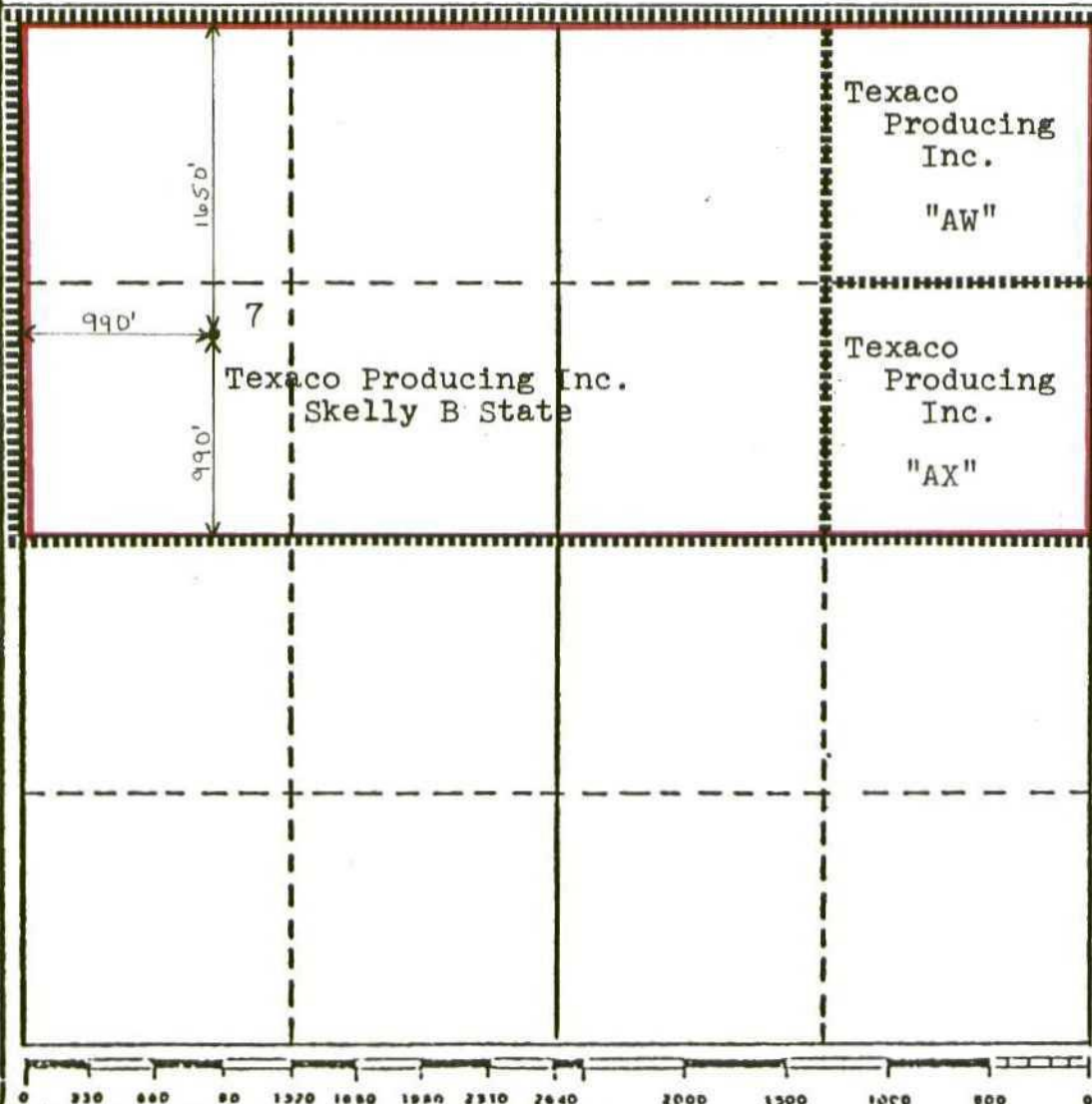
Operator Texaco Producing Inc.		Lease Skelly B State Com.		Well No. 7
Unit Letter E	Section 16	Township 21-S	Range 36-E	County Lea
Actual Footage Location of Well: 1650 feet from the North line and 990 feet from the West line				
Ground Level Elev. 3618	Producing Formation Yates	Pool Eumont Yates 7 Rivers Queen	Dedicated Acreage 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

L. J. Seeman

Name

L. J. Seeman

Position

Dist. Petr. Engr.

Company

Texaco Producing Inc.

Date

July 14, 1987

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

P-562 874 889

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 153-506

PS Form 3800, June 1985

Sent to Cities Service	
Street and No. Box 1919	
P.O., State and ZIP Code Midland, Tx. 79705	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P-562 874 886

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 153-506

PS Form 3800, June 1985

Sent to Exxon	
Street and No. P.O. Box 1600	
P.O., State and ZIP Code Midland, Tx. 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P-562 874 885
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to Chevron	
Street and No. Box 670	
P.O., State and ZIP Code Abbe, NM 88240	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, June 1985

U.S.G.P.O. 153-506

Sent to Arco	
Street and No. Box 1610	
P.O., State and ZIP Code Midland, Tx. 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P-562 874 887
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3800, June 1985

U.S.G.P.O. 153-506

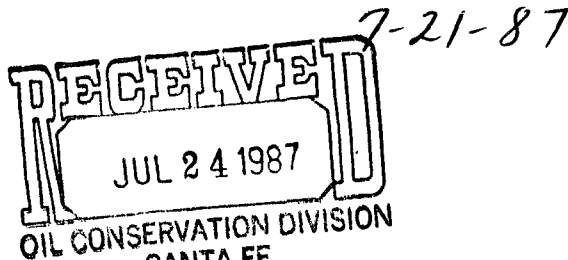
Sent to Conoco	
Street and No. Box 1959	
P.O., State and ZIP Code Midland, Tx. 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

P-562 874 888
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR



POST OFFICE BOX 1990
HOBBS, NEW MEXICO 88241-1990
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____
NSL	_____
NSP	<u> X </u>
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

<u>Lucas Prod. Inc.</u>	<u>Skelly B State # 7-E</u>	<u>16-21-36</u>
Operator	Lease & Well No.	Unit S-T-R

and my recommendations are as follows:

OKJS

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed

Iteraro Producing Co. State Well No. 2 E-16-215-36E, 1650' well 990' EWL, Spud: 11/24/52, Eumont Completion 160-acre unit (140/14) R-520. Cumulative Prod. as of 12/31/86 Gas - 4716788 mcf O.I. - 0 Bbls.	Chesron U.S.A. Inc., Eumont Monument South Unit Well No. 383, (formerly the Iteraro Producing Inc. Monro "V" Com. Well No. 1, 1980' EWL, Spud 11/11/35; 160-acre unit (514/4) R-520 Cumulative Production as of Spud before recompletion Spud. 1986 Gas - 4208985 mcf O.I. - 0 Bbls.	Chesron U.S.A. Inc., Eumont Monument South Unit Well No. 362 (formerly the State Oil Company State "B" Well No. 4), 660' well - 1980' FEL, Spud: 9/11/35 Shows Eumont Prod. of 3,490,169 mcf Recompleted to Eumont Monument Completion	

SECTION 16

TOWNSHIP 21 South

RANGE 36 East