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JUN 28 1972

SKELLY OIL COMPANY

EXPLORATION & PRODUCTION DEPARTMENT
WEST CENTRAL DISTRICT

Midland, Texas 79701

June 27, 1972

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

A. B. CARY, EXPLORATION & PRODUCTION MANAGER
V. E. BARTLETT, EXPLORATION MANAGER
C. J. LOVE, PRODUCTION MANAGER
J. R. AVENT, ADMINISTRATIVE COORDINATOR

File: Skelly Unit Well No. 3
Lease No. 73617
Eddy County, New Mexico

New Mexico Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

Gentlemen:

The Skelly Unit Well No. 3 is a dual Seven Rivers and Grayburg-Jackson well. Due to a packer leak the gas from both zones was being produced through the Seven Rivers equipment and the oil through the Grayburg-Jackson equipment, causing the Fren Seven Rivers Zone to be reclassified as a gas well effective May 1, 1972.

The equipment has been repaired and we are attaching a Form C-116 which indicates the Seven Rivers GOR to be 1686. Please return the Seven Rivers Zone to an oil well status.

Very truly yours,



J. R. Avent

LF/bb

Enclosures: 2