



NSP-276

Due 7/4/56

SKELLY OIL COMPANY

Box 38, Hobbs, New Mexico

May 28, 1956

Re: IN THE MATTER OF APPLICATION OF SKELLY OIL COMPANY FOR AN ADMINISTRATIVE ORDER GRANTING A DUAL COMPLETION ORDER FOR ITS S. E. TOBY WELL NO. 1 AND FOR AN ORDER FOR AN 80 ACRE NON-STANDARD GAS PRORATION UNIT IN THE JALMAT GAS POOL, LEA COUNTY, NEW MEXICO.

78.1 Ac

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 an administrative order granting a dual completion for their S. E. Toby Well No. 1 as a gas well in the Jalmat Gas Pool and an oil well in the Langlie-Mattix Oil Pool and also for an order establishing an 80 acre non-standard gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico, and in support thereof does state:

78.1 Ac

1. That the petitioner is the owner and operator of an oil and gas lease held on the 80 acres confined by the S/2 SW/4 Section 7-T24S-R37E, N. M. P. M. Lea County, New Mexico, and concerns but a single royalty owner.
2. That the petitioner's S. E. Toby Well No. 1 is located 660' from the south and west lines of the section and was completed in March, 1938, as follows:
 - a. Drilled to a T. D. of 3666' and 7" oil string set at 3355' and cemented with 400 sacks.
 - b. Upon completion excessive gas was encountered and a formation packer was run and set in the open hole at 3440' which effectively shut-off excess gas.
3. That the petitioner's S. E. Toby Well No. 1 will be produced in the following manner:
 - a. Produce the Jalmat gas through the casing-tubing annulus from the Seven Rivers from the interval 3355' to 3440' above the formation packer.
 - b. Produce the Langlie-Mattix oil through the tubing from the interval below the formation packer 3440' to 3666'.

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4. That a diagrammatic sketch showing the present method of completion and the present producing intervals is hereto attached.
5. That the present dual completion is both practical and feasible in that effective segregation has been indicated since completion.
6. That the granting of this application for permission to produce this well as a dual completion is in the interest of conservation and the protection of correlative rights.
7. That the above described acreage is within the horizontal limits of the Jalmat Gas Pool, and by virtue of its production and offset production can be assumed to be productive of gas.
8. That all lands described above, and contained within the limits of the proposed proration unit, are contiguous and lie within the limits of a single legal subdivision (section) of the U. S. Public Land Survey.
9. That a plat showing the above described lands and all offset properties indicating well locations and lease ownership to the best of our knowledge is hereto attached.
10. That all offset operators are hereby notified by a copy of this application.

WHEREFORE, the petitioner requests that, in the interest of conservation and protection of correlative rights, the Secretary of the Commission grant an order pursuant to Rule 112-A, Order No. R-316, and Rule 5(a), Order No. R-520 by which the petitioner may produce their S. E. Toby Well No. 1 as a dual completion in the manner described above and may establish a non-standard, 80-acre gas proration unit.

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
J. N. Dunlavey,
District Superintendent.

JND/JDR/e

Sworn to and subscribed before me this the ____ Day of May, 1956.

Notary Public

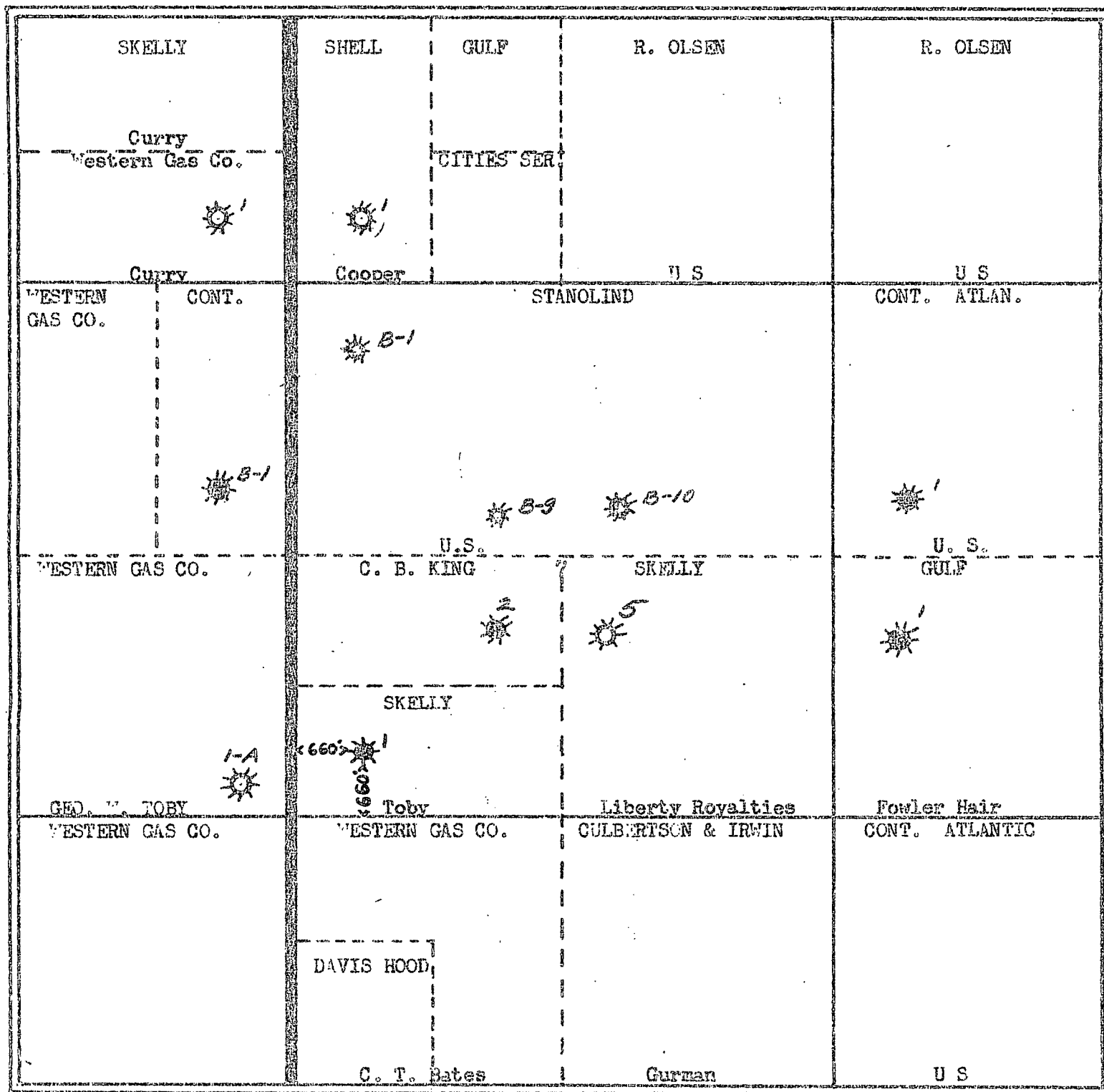
May 28, 1956

cc: Culbertson & Irwin
Box 1071
Midland, Texas

Western Natural Gas Co.
1006 Main Street
Houston, Texas

C. B. King, Warren & Dye
Box 270
Midland, Texas

SKELLY OIL COMPANY
S. E. Toby Well No. 1
Sec. 7, T24S, R37E



STANDARD OIL COMPANY
O. H. FINE FIELD NO. 1
Sec. 7-T24S-R37E

