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GULF OIL CORPORATION FORT WORTH PRODUCTION DIVISION P. O. BOX 2167 Hobbs, New Mexico

March 18, 1954

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

> Re: Application to Dually Complete Gulf Oil Corporation Graham State "E" No. 2, Eunice Pool, Lea County, New Mexico

Gentlemen:

By this letter of application Gulf Oil Corporation wishes to state the following:

(a) That Gulf Oil Corporation desires to dual complete the subject well in lieu of R. R. Bell "B" No. 1 for which authority to dual was granted by Commission Order DC - 51.

(b) That Gulf Oil Corporation Graham State "E" No. 2, located in the NW/4 SE/4 of Section 6-T-21-S, R-36-E, was completed September 26, 1936 at a total depth of 3885'. The attached Exhibit "A" shows the location of this well on the Gulf Oil Corporation Graham State "E" Lease with the location of **all** offset wells.

(c) That subject well has 5-1/2" casing set at 3749" and cemented with 300 sacks of cement. The well is an oil well producing from the open hole interval from 3749-3885" in the Eunice Fool.

(d) That the applicant proposes to dually complete the well in the following manner:

- (1) Perforate the 5-1/2" casing within the approximate interval of 3435-3675' in the Eumont Gas Pool.
- (2) Set production type packer below these perforations at approximately 3700' to separate the two pay zones.
- (3) Produce the Eunice Pool oil through the tubing and the Eumont gas through the tubing-casing annulus.

(e) That the granting of this application for permission to produce the well as a dual completion with gas from the Eumont and oil from the Eunice is in the interest of conservation and the protection of correlative rights.

(f) That the applicant will comply with all rules and regulations of the New Mexico Oil Conservation Commission to maintain separation of production from the two pay zones.