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GULF OIL CORPORATION FORT MORTH PRODUCTION DIVISION P. O. BOX 2167 Hobbs, New Mexico February 21: 1057

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

Re: Application to Dually Complete Gulf Oil Corporation's Harry Leonard "C" No. 9 in the Arrow Gas and Arrowhead Oil Pools

Gentlemen:

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

(a) That Gulf Oil Corporation's Harry Leonard "C" No. 9, located in the C of NW/4 NE/4 of Section 36-21S-36E, Lea County, New Mexico, is to be completed at an approximate total depth of 3800'. The attached Exhibit "A" shows the location of this well on the Gulf Oil Corporation's Harry Leonard "C" Lease together with the location of all offset wells. The attached Exhibit "B" shows a diagrammatic sketch of the proposed dual completion.

(b) That subject well will have 5-1/2" casing set at approximately 3800' and commented with sufficient comment to isolate the salt section. The well is to be an oil well producing from perforations within the approximate interval 3700-3800' in the Grayburg formation in the Arrowhead Oil Pool.

(c) 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 3350-3650' in the Queen formation of the Arrow Gas Pool.
- 2. Set production type packer below these perforations at approximately 3675' to separate the two pay zones.
- 3. Produce the Arrowhead Pool oil through the tubing and the Arrow gas through the tubing-casing annulus.

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

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

(f) That the manner and method of the proposed dual completion is mechanically feasible and practical.

(g) That by copy of this letter of application, all offset operators are notified of the proposed dual completion.