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MAIL OFFICE OCC
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Box 38, Hobbs, New Mexico

July 10, 1956

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

Attention: Mr. A. L. Porter, Jr.

Penrose
Notice
leaves to
about
in P 8
two miles

Re: IN THE MATTER OF APPLICATION OF SKELLY OIL COMPANY FOR AN ADMINISTRATIVE ORDER GRANTING PERMISSION TO EFFECTIVELY DUAL COMPLETE ITS BAKER "B" WELL NO. 2 IN THE EUMONT GAS POOL AND THE PENROSE-SKELLY OIL POOL AND FOR AN ORDER FOR A 240 ACRE NON-STANDARD GAS PRODUCTION UNIT.

Gentlemen:

With this letter, SKELLY OIL COMPANY is hereby petitioning the Secretary of the New Mexico Oil Conservation Commission for administrative approval for an order granting permission to effectively dual complete its Baker "B" Well No. 2 as a gas well in the Eumont Gas Pool and an oil well in the Penrose-Skelly Oil Pool, and also for an order for a 240 acre non-standard gas production unit in the Eumont Gas Pool, Lea County, New Mexico, and in support thereof does state:

1. That the petitioner is the operator of an oil and gas lease confined by the W/2 SE/4 and SW/4 of Section 10, T-22-S, R-37-E, N.M. P.M., Lea County, New Mexico, and concerns but a single royalty owner.
2. That the petitioner's Baker "B" No. 2 is located 1980' from the south line and 1980' from the west line of Section 10 and was completed in March 1940, as a Penrose-Skelly oil well.
3. That the petitioner's Baker "B" No. 2 was dually completed in March 1950, in a manner described below and was used until February 1953, as a supply well for gas lift purposes:
 - a. Perforated in the Queen from 3430'-3490'.
 - b. Ran 2" tubing with a Baker Model "D" Retainer Production Packer set at 3520' which effectively segregated the two producing intervals.
 - c. Produced the Penrose-Skelly oil from the Grayburg Formation from open hole 3570'-3715' through the 2" tubing and the Eumont gas through the tubing-casing annulus.