

Box 38
Hobbs, New Mexico
November 11, 1955

Re: E. Coats Well No. 2 & 3
Section 3, T24S, R36E
Jalmat Gas Pool

Mr. W. B. Macey
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

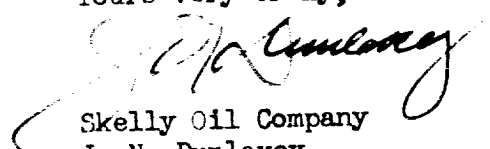
Dear Sir:

In June, 1955, Administrative Order NSP-144 was granted to Skelly Oil Company's E. Coats Well No. 2 in which said well was granted a 320 acre gas proration unit in the Jalmat Gas Pool. Prior to this, 160 acres of this unit had been dedicated to our Coats No. 3. At the time our Coats No. 2 was recompleted as a gas well, the No. 3 well was approximately 65,000 MCF under produced. Since the No. 2 well was completed for a relatively high potential, we requested and received a 320 acre proration unit for this well.

As of November 1, 1955, this 320 acre unit is 126,542 MCF under produced. At this time, in an effort to make up this under production, it is requested that the Coats Well No. 3 be allowed to produce as part of this unit. It is our plan to produce not over 50% of the under production and any subsequent production from this unit, from our Coats Well No. 3.

Your prompt attention to this matter will be sincerely appreciated.

Yours very truly,


Skelly Oil Company
J. N. Dunlavey

cc New Mexico Oil Conservation Commission
Box 2045
Hobbs, New Mexico

Mr. G. W. Selinger
Skelly Oil Company
Tulsa, Oklahoma