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Box 38, Hobbs, New Mexico
April 12, 1954

RE: IN THE MATTER OF SKELLY OIL
COMPANY'S APPLICATION TO
DUAL COMPLETE ITS E. L. STEELER
WELL NO. 7 IN THE PENROSE SKELLY
OIL POOL AND IN THE LANGMAT GAS
POOL, LEA COUNTY, 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, who, by this letter of application, wishes to make the following statements:

- a. SKELLY OIL COMPANY is the sole owner of an oil and gas lease consisting of the NE $\frac{1}{4}$, and NW $\frac{1}{4}$, SE $\frac{1}{4}$, and N $\frac{1}{2}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$, SW $\frac{1}{4}$ of Section 17-T23S-R-37E, Lea County, New Mexico, known as its E. L. Steeler lease.
- b. That the SKELLY OIL COMPANY, E. L. Steeler Well No. 7 is located 1980' from the South line and 660' from the West line of Section 17-T23S-R37E.
- c. That the applicant, SKELLY OIL COMPANY, does plan to complete the subject well in the following manner:
 1. Set 7" OD casing below the top of the Queen formation at a depth of 3440'.
 2. Complete the oil producing Queen formation in open hole below the 7" OD casing at a total depth of 3635'.
 3. Set a Brown Oil Tool Packer at 3300' to segregate the two producing zones.

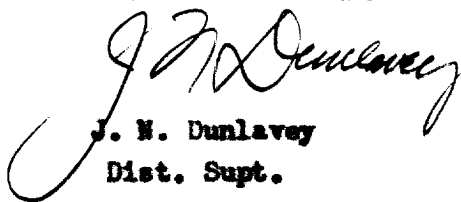
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4. Perforate the 7" OD casing in the Yates and Seven Rivers section between 2800' and 3100' all in the vertical limits of the Langmat Gas Pool.
 5. Produce the Penrose-Skelly oil through the tubing and the Langmat gas through the tubing-casing annulus.
- d. That the method and manner in which the applicant proposes is both mechanically feasible and practical.
 - e. That all rules and regulations set out by the New Mexico Oil Conservation Commission will be complied with, both in the completion and operation of this well.
 - f. That a diagrammatic sketch of the proposed operation and a plat of the area showing the location of the well and its relation to all offset operators is hereto attached, complete and accurate to the best of our knowledge.
 - g. That all offset operators are hereby notified by a copy of this application.

Therefore, applicant prays the Commission grant permission to dual complete the subject well, as proposed in this application, in the interest of conservation and protection of correlative rights.

Respectfully submitted,

SKELLY OIL COMPANY


J. W. Dunlavy
Dist. Supt.

JND:MEC:m

cc: Samadan Oil Corp. 502 V & J Tower Midland, Texas	Amerada Petroleum Drawer "D" Hobbs, New Mexico
Continental Oil Co. Box 427 Hobbs, New Mexico	Western Natural Gas Co. 823 Midland Tower Midland, Texas

1. The first of the three is the fact that the Commission has been established by the President of the United States.

2. The second of the three is the fact that the Commission has been established by the President of the United States.

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