CITIES SERVICE QIL COMPANY

BOX 97

HOBBS, NEW MEXICO

September 30, 1958

New Mexico Oil Conservation Commission Box 871 Santa Fe, New Mexico

Attn: Mr. A. L. Porter

Re: Dual Completion, Jalmat Gas Pool and Jalmat Oil Pool, Lea County, New Mexico

Gentlemen:

Cities Service Oil Company respectfully requests administrative approval under provisions of Rule 112-A of the rules and regulations of the New Mexico Oil Conservation Commission for the dual completion of the Cities Service Oil Company State "O" No. 2, located 660' FNL, 1980' FEL, Section 32-26S-37E, Lea County, New Mexico, for production of oil from the Jalmat Oil Pool and gas from the Jalmat Gas Pool, and in support thereof states the following:

1. Applicant is the operator of the State "O" lease consisting of the NW/4 NE/4 and SE/4 of the NW/4 and NW/4 of the NE/4, Section 32, T=26-S, R= 37- \mathbb{Z} , Lea County, New Mexico.

2. Applicant drilled the State "O" No. 2 as an oil well in the Jalmat

Oil Pool in August, 1958.

3. The interval from 3086-3110' in the Yates formation was perforated and fraced. This zone tested dry gas at a rate of 1,768 MCF per day on a 32/64" choke with a flowing casing pressure of 175 pounds.

4. The Yates section was perforated from 3230-38', 3212-16' and was acidized. On potential this zone flowed 190.1 barrels of oil and 285 barrels of water in 20 hours on a 24/64" choke with a flowing tubing pressure of 450 pounds. The gas-oil ratio was 1,447 to 1.

5. The well is currently completed with 2" J-55 EUE tubing set in a Baker Model "D" Production packer at 3188'. An Otis side door assembly is in the tubing string at 3151'. Attached is a diagramatic sketch giving all

pertinent data.

6. The well is equipped in such a manner that there will be no commingling of fluid between the two reservoirs. Packer leakage tests have been conducted by the operator and the zones are separated. Further testing as required by the Commission will be done when necessary.

7. Approval of the proposed dual is in the interest of conservation and

will serve to prevent waste.

8. An application requesting approval of a non-standard gas proration unit is being sent with this application.