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Box 38, Hobbs, New Mexico

June 29, 1956

DC - 320
due 7/13/56
NSP 301
due 8/2/56

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

Re: IN THE MATTER OF APPLICATION OF SKELLY OIL COMPANY FOR AN ADMINISTRATIVE ORDER GRANTING PERMISSION TO DUAL COMPLETE ITS L. T. JOHNS WELL NO. 1 IN THE JALMAT GAS POOL AND THE LANGLIE-MATTIX OIL POOL AND FOR AN ORDER FOR A 40 ACRE NON-STANDARD GAS PERFORATION UNIT.

ILLEGIBLE

Case No. _____

Comes now SKELLY OIL COMPANY, a Delaware Corporation with offices in Dallas, Oklahoma, and Hobbs, New Mexico, hereby petitioning the Secretary of the New Mexico Oil Conservation Commission for administrative approval for an order granting permission to dual complete its L. T. Johns Well No. 1 as a gas well in the Jalmat Gas Pool and an oil well in the Langlie-Mattix Oil Pool and also for an order for a 40-acre non-standard gas perforation unit in the Jalmat Gas Pool, Lea County, New Mexico, and to exempt therefrom the amount

1. That the petitioner is the owner of an oil and gas lease covering the NE 1/4 of Section 29, Township 21 North, Range 37 East N.M.P.M. 10 West, which lease contains a single royalty clause.
2. That the petitioner's L. T. Johns Well No. 1, located 1980' from the surface and 60' from the east line of the section and was completed December 1955 as a Langlie-Mattix oil well.
3. That the petitioner will dually complete its Johns No. 1 in a manner described below:
 - a. Perforate the lower Yates 3001'-3050' for Jalmat gas.
 - b. Run 2" tubing with a Esker Model 1-D Retainer Production Packer to be set at around 3060' so as to segregate the two producing intervals.
 - c. Produce the Langlie-Mattix oil from open hole 3360'-3575' through the 2" tubing and the Jalmat gas through the tubing-casing annulus.

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4. That the manner in which the petitioner has set out to complete the proposed dual is both mechanically feasible and practical and conforms to the Commission's policies and specifications as pertaining to the dual completion of dual gas and oil wells in the State of New Mexico.
5. That a diagrammatic sketch showing the producing intervals anticipated and the physical equipment to be used in drilling this well is hereto attached.
6. That the granting of this application for permission to produce this well as a dual completion is in the interest of conservation and the protection of correlative rights.
7. That the above described coverage is within the horizontal limits of the Joint Gas Pool, and by virtue of this offset production can be assumed to be productive of gas.
8. That all lands described above and offset shall remain the limits of the proposed production unit, are contiguous and lie within the limits of a single legal subdivision (section) of the U. S. Public Land Survey.
9. That a plat of the above described lands and all offset properties, indicating the ownership thereof to the best of our knowledge
10. That all offset properties are shown by a copy of this application.

ILLEGIBLE

WHEREFORE, the petitioner requests that the Commission grant an order pursuant to Rule 112-1, Order No. 1-212, and Rule 5(a), Order No. 1-526 by which the petitioner may drill, complete, operate and produce the well described above and may establish a new or revised gas production unit.

I hereby certify that the information hereinabove is true and complete to the best of my knowledge.

Respectfully submitted,

SEBASTIAN OIL COMPANY

J. M. Dunsen
 J. M. Dunsen,
 District Superintendent.

JMD/JDR/e

Sworn and subscribed to before me this the 29th day of June 1956.

Alfred L. Beck

 Notary Public