Post Office Box 68
Hobbs, New Mexico

December 30, 1954

FILE: LWS-460-401

SUBJECT: Application For Exception To Rule 2 and 5(a) Order No. R-520 Stanolind Oil and Gas Company L. W. Gregory "A" No. 22, Jalmat Field

Mr. R. B. Macey
New Mexico Oil
Conservation Commission (3)
Box 871
Santa Fe, New Mexico

Dear Sir:

Under the provisions of Commission Order No. R-520, Rules 3 and 5(b), delegating the Secretary of the Commission authority to grant exceptions to the requirements of Rule No. 2 and No. 5(a) without notice and hearing for an unorthodox location and non-standard gas proration unit, respectively, Stanolind Oil and Gas Company hereby applies for an exception to the aforementioned two rules for L. W. Gregory "A" No. 22, Jalmat Field.

In support of the above application, the following data are furnished:

L. W. Gregory "A" No. 22 is located 990' from the South line and 1659' from the West line of Section 31, T-25-S, R-37-E. It was originally completed as a Jal Field well on September 9, 1929, for 92 BOPD plus 8 MCFPD from open hole interval 3264-3320. After a succession of plug backs and perforations to control encroaching water, the well was eventually recompleted for gas in March, 1939. The recompletion was effected by plugging the well back to 2990 opposite existing perforations, and acidizing interval 2940 - 2990 with 2500 gallons, after which it tested 300 MCFPD. Additional interval 2890 - 2910 was then perforated and acidized with 3000 gallons, following which both intervals tested 500 MCFPD against 600 psi back pressure. Application to perform the additional perforating was made by USGS Form 9-331a, dated January 31, 1939, and was approved February 6, 1939.

Concerning the exception to Rule No. 2, we wish to state the following:

(A) The unorthodox location was occasioned by the recompletion of the well previously drilled to another horizon.
(B) All operators within a 1980' radius of the subject well have been furnished a copy of this application.

With regard to the exception to Rule No. 5(a), we wish to state the following:

(A) That the proposed non-standard gas proration unit of 40 acres consisting of the SE/4 of SW/4 Section 31, T-25-S, R-37-E, is a standard governmental quarter-quarter section.
(B) That the proposed non-standard gas proration unit lies wholely within a single governmental section.
(C) That the entire proposed non-standard gas proration unit may reasonably be presumed to be productive of gas.
(D) That the length or width of the proposed non-standard gas proration unit does not exceed 5280'.
(E) That the entire proposed non-standard gas proration unit lies within the horizontal limits of the Jalmat Gas Pool.
(F) That by copy of this letter of application all operators owning interest in the section in which the non-standard gas proration unit is situated and which acreage is not included in said non-standard gas proration unit and all operators owning interest within 1500' of the well have been notified by registered mail of this application.

Yours very truly,

Ralph L. Hendrickson
Field Superintendent

RLH:bc

cc: Continental Oil Co.
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Hobbs, New Mexico

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