

CASE 1180: Application of John M.  
Kelly for 200-acre non-standard gas  
proration unit.

Case No.

1180

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Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
NOVEMBER 28, 1956

TRANSCRIPT OF HEARING

Case No. 1180

DEARNLEY-MEIER AND ASSOCIATES  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
NOVEMBER 28, 1956

IN THE MATTER OF:

Application of John M. Kelly for approval of a non-  
standard gas proration unit in the Eumont Gas Pool  
in exception to Rule 5 (a) of the Special Rules and  
Regulations for the Eumont Gas Pool as set forth in  
Order R-520. Applicant, in the above-styled cause,  
seeks an order authorizing a 200-acre non-standard  
gas proration unit in the Eumont Gas Pool comprising:  
the E/2 SW/4, NW/4 SE/4, and W/2 NE/4 of Section 16,  
Township 19 South, Range 37 East, Lea County, New  
Mexico; said unit to be dedicated to applicant's  
Humble State Well No. 1, located 1980 feet from the  
South and West lines of said Section 16.

Case No.  
1180

BEFORE:

Mr. Daniel S. Nutter

TRANSCRIPT OF HEARING

MR. NUTTER: Hearing will come to order. First case on the  
docket will be Case No. 1180. Case No. 1180 is the application of  
John M. Kelly for approval of a non-standard gas proration unit in  
the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules  
and Regulations for the Eumont Gas Pool as set forth in Order R-520,  
Lea County, New Mexico. (Witness sworn.)

MR. McPETERS: I am Kenneth P. McPeters, for John M. Kelly.  
John M. Kelly made application for the approval of a 200 acre non-  
standard proration unit in the Eumont Gas Pool consisting of the

East half of the Southwest quarter, the Northwest quarter of the Southeast quarter, and the West half of the Northeast Quarter of Section 16, 19, 37, to be dedicated to the Humble State No. 1, located 1980 foot from the South and West lines of Section 16.

I wish to enter this plat as Exhibit 1, which indicates the proposed 200 acre unit and also the units in the immediate vicinity.

MR. NUTTER: Without objection this plat will be entered as Exhibit No. 1 in Case No. 1180.

MR. McPETERS: The unit well, the Humble State No. 1, was completed January 1st, 1955, at a depth of 3850 foot as a gas well in the Eumont Gas Pool. At the present time, the Humble State has a 160 acre unit assigned comprising the Southwest of the Northeast, the Northwest of the Southeast, and the East half of the Southwest quarter of 16. That was approved by non-standard proration unit No. 100 administrative.

John M. Kelly and Aztec Oil and Gas have entered a working interest agreement on the gas rights under the Northwest of the Northeast of Section 16, 19, 37. The royalty interest under the entire proposed unit is one basic interest, state land. The most recent test on the Humble State No. 1 dated August 24, 1956 indicated an open flow of 5,275 MCF's per day in a volume of 2903 MCF's per day, with a casing pressure of 695 PSIG.

In my opinion, the Humble State No. 1 would effectively drain

the 200 acres. The proposed unit comprises contiguous quarter -- quarter sections, lies wholly within a single development section, and all the acreage within the unit may reasonably be presumed productive of gas. The length or width of the proposed unit does not extend 25,280 foot. Granting of this application would permit John M. Kelly and Aztec Oil and Gas to recover their just and equitable share of the gas, would not adversely effect the correlative rights of any offset owner, protect the correlative rights of the applicant and Aztec, and prevent waste.

MR. NUTTER: Does anyone have a question of the witness?

By MR. NUTTER:

Q Mr. McPeters, I see, are the two leases those owned by Aztec and the present 160 acre unit, are they separate state leases?

A Yes, they are.

Q Has a communitization agreement between Aztec and John M. Kelly already been effective?

A Yes, sir.

Q It has been completed? A Yes.

Q Has that communitization been approved by the State Land Office as yet?

A As far as I know it has not, but it has been submitted, I am sure.

Q I see.

MR. NUTTER: Does anyone else have a question of the witness?

We have a letter from Aztec oil and Gas Company directed to the New Mexico Oil Conservation Commission. It reads as follows:

"Reference is made to Mr. John Kelly's application of October 31 to the Commission for approval of a 200 acre non-standard gas proration unit for the Humble State No. 1 Well, located in the Northeast of the Southwest quarter of Section 16, Township 19 South, Range 37 East, Lea County, New Mexico.

Aztec is the holder of the lease covering the Northwest quarter, Northeast quarter of Section 16, which is proposed to be included in the non-standard unit applied for.

We therefore urge the Commission to approve Mr. Kelly's application." Signed, Quilman B. Davis.

MR. McPETERS: How many copies of this exhibit do you need?

MR. NUTTER: A couple would be fine.

Does anyone have a statement they wish to offer in this case? If not the witness may be excused and we will take the case under advisement and proceed to Case No. 1183.

(Witness excused.)

C E R T I F I C A T E

STATE OF NEW MEXICO )  
: ss  
COUNTY OF BERNALILLO )

I, AMADO TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand and seal this 21<sup>st</sup> day of December, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

L. A. Trujillo  
Notary Public

My Commission expires:

Oct. 5, 1960



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1180  
Order No. R-943

THE APPLICATION OF JOHN M. KELLY  
FOR AN ORDER GRANTING APPROVAL  
OF AN EXCEPTION TO RULE 5 (a) OF  
THE SPECIAL RULES AND REGULATIONS  
FOR THE HUMONT GAS POOL AS SET  
FORTH IN ORDER NO. R-529 IN  
ESTABLISHMENT OF A NON-STANDARD  
GAS PRODUCTION UNIT OF 200 CONTIGUOUS  
ACRES CONSISTING OF NW/4 NE/4, SW/4  
NE/4, NW/4 SE/4 AND E/2 SW/4 SECTION  
16, TOWNSHIP 19 SOUTH, RANGE 37 EAST,  
NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on November 28, 1956, at Hobbs, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16<sup>th</sup> day of January, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That applicant, John M. Kelly, is the owner of the gas rights under the SW/4 NE/4, NW/4 SE/4 and E/2 SW/4 of Section 16, Township 19 South, Range 37 East, NMPM, and Aztec Oil and Gas Company is the owner of the gas rights under the NW/4 NE/4 of said Section 16.

(3) That said parties have entered into a pooling agreement of the above-described lands insofar as the gas rights are concerned.

(4) That applicant, John M. Kelly, has a producing well on the aforesaid lease known as the Humble-State No. 1, located 1830 feet from the South line and 1980 feet from the West line of said Section 16.

(5) That the aforesaid well is presently assigned a 160-acre proration unit in the Eumont Gas Pool.

(6) That it is impractical to pool the acreage in the proposed proration unit with adjoining acreage in the Eumont Gas Pool and that the owners of adjoining acreage in said area have not objected to its formation.

(7) That unless a proration unit consisting of the aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his just and equitable share of the natural gas in the Eumont Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of John M. Kelly for approval of a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico,

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPN  
Section 16: NW/4 NE/4, SW/4 NE/4, NW/4 SE/4,  
E/2 SW/4

be and the same is hereby approved, and a proration unit consisting of the aforesaid acreage is hereby created.

(2) That applicant's well, Humble-State No. 1, located 1980 feet from the South line and 1980 feet from the West line of said Section 16, shall be granted an allowable in the proportion that the above-described 200-acre unit bears to the standard proration unit in accordance with Rule 8 of the Special Rules and Regulations for the Eumont Gas Pool, all until further order of the Commission.

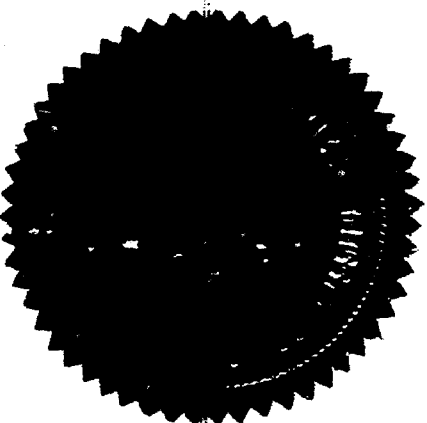
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Edwin L. Mechem*  
EDWIN L. MECHEM, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary



OK to  
approve &  
allow. me per  
Rule 8 of post Rules  
WDM 1/17/56

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date December 15, 1956

CASE

1180

Hearing Date

November 28, 1956

My recommendations for an order in the above numbered cases are as follows:

I recommend that the Commission enter an order approving the 200 acre non standard gas proration unit applied for in the subject case by John M. Kelly

Applicant by NSP 100 was assigned 160 acres assigned to ~~the unit~~ its Humble State well No 1, located 1980' FSL + 1980' FWL Sec 16, T19S, R37E. This 160 acre unit consists of ~~SW/4~~ SW/4 NE/4, NW/4 SE/4 and E/2 SW/4 of said Sec. 16.

Applicant asserts he has entered an agreement w/ Aztec Oil & Gas Co whereby the above described acreage and the NW/4 NE/4 have been pooled insofar as gas rights are concerned.

Aztec entered a letter urging approval of the proposed 200 unit.

I further recommend that any increase in allowable for the unit be made contingent upon receipt of evidence that the working interest owners of all of the proposed unit have pooled their interests

Staff Member

San Miller

Case # 1180

AFFIDAVIT OF COMMUNITIZATION AGREEMENT.

STATE OF NEW MEXICO )  
COUNTY OF LEA ) ss.

Kenneth D. McPeters, being first duly sworn, deposes and says, that he is the duly authorized agent and representative of JOHN M. KELLY, designated operator of the HUMBLE STATE NO. 1 located in W/2NE4. NW/4SE/4, E/2SW/4, of Section 16-19S-37E, Lea County, New Mexico, N.M.P.M., consisting of 200 acres and that all owners of working interests underlying the above described unit have pooled or communitized their respective interests for the purpose of production of gas and associated hydrocarbons from said unit, insofar as said production pertains to the Eumont Pool.

Kenneth D. McPeters  
Kenneth D. McPeters

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of January, 1957, by KENNETH D. MC PETERS.

H. B. Freudenke  
Notary Public in and for  
Lea County, New Mexico

My Commission expires:

Aug. 28 - 1961

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 21, 1957

C  
O  
P  
Y

Mr. John M. Kelly  
P.O. Box 5671  
Roswell, New Mexico

Dear Sir:

We enclose a copy of Order R-943 issued January 16, 1957, by the Oil Conservation Commission in Case 1130, which was heard on November 28th at Hobbs.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encl.

Case # 1180  
Humble State No. 1  
May 22, 1957

In reply refer to:  
Unit Division

Mr. John M. Kelly  
Box 5671  
Roswell, New Mexico

Re: Enlargement of John M. Kelly--  
Humble State No. 1 Communitization

Dear Mr. Kelly:

I am enclosing six copies of the Amendment for Enlargement of your John M. Kelly--Humble State No. 1 Communitization, which was approved by the Commissioner of Public Lands May 22, 1957.

This was approved in accordance with New Mexico Oil Conservation Commission Case No. 1180, Order No. R-943, granting you a 200-acre non-standard gas proration unit and is effective as of the date allowable was first obtained on this basis, which I believe was on your March allowable.

Enclosed also is Official Receipt in the amount of \$5.00, which covers the filing fee.

Very truly yours,

MURRAY E. MORGAN  
Commissioner of Public Lands

By: Ted Bilberry, Supervisor  
Oil and Gas Department

MEM:MMR/m  
enc: 7

cc: OCC-Santa Fe

MAIN OFFICE 800 AZTEC OIL & GAS COMPANY  
920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS  
QUILMAN B. DAVIS  
SECRETARY AND GENERAL ATTORNEY

*Case # 1180*

November 14, 1956

Mr. A. L. Porter, Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Re: Application for 200-acre  
Non-Standard Gas Proration  
Unit, Eumont Gas Pool,  
Lea County, New Mexico

Dear Mr. Porter:

Reference is made to Mr. John Kelly's application of October 31 to the Commission for approval of a 200-acre non-standard gas proration unit for the Humble State No. 1 Well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 16, Township 19 South, Range 37 East, Lea County, New Mexico.

Aztec is the holder of the lease covering the NW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 16, which is proposed to be included in the non-standard unit applied for. We, therefore, urge the Commission to approve Mr. Kelly's application.

Yours very truly,

*Q. B. Davis*

QBD:NL

cc - Mr. John Kelly  
Gulf Oil Corporation  
Shell Oil Company  
Humble Oil & Refining Company  
N. M. Oil Cons. Comm., Hobbs  
Mr. Prentice R. Watts

DOCKET EXAMINER HEARING NOVEMBER 28, 1956

New Mexico Oil Conservation Commission 10:00 a.m., Hobbs, New Mexico.

Oil Conservation Commission Office, 1000 W. Broadway, Hobbs, New Mexico.

The following cases will be heard before Daniel S. Nutter, Examiner:

CASE 1177: Application of Stanolind Oil and Gas Company for approval of a non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 481-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the E/2 E/2 of Section 13, Township 26 South, Range 36 East, and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 26 South, Range 37 East, Lea County, New Mexico; said unit to be dedicated to applicant's Farnsworth "A" Well No. 4, located 1980 feet from the North line and 660 feet from the West line of said Section 18.

CASE 1178: Application of Gulf Oil Corporation for approval of a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the E/2 of Section 22, Township 21 South, Range 36 East, Lea County, New Mexico; said unit to be dedicated to applicant's Leonard "A" Well No. 3, located 660 feet from the North line and 1980 feet from the East line of said Section 22.

CASE 1179: Application of Gulf Oil Corporation for approval of a non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 227-acre non-standard gas proration unit in the Jalmat Gas Pool comprising Lots 5, 6, and 7, and the SE/4 NW/4, and the E/2 SW/4 of Section 6, Township 22 South, Range 36 East, Lea County, New Mexico; said unit to be dedicated to applicant's J. H. Day Well No. 3, located 330 feet from the South line and 2310 feet from the West line of said Section 6.

CASE 1180: Application of John M. Kelly for approval of a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 234-acre non-standard gas proration unit in the Eumont Gas Pool comprising the E/2 SW/4, NW/4 SE/4, and W/2 NE/4 of Section 16, Township 19 South, Range 37 East, Lea County, New Mexico; said unit to be dedicated to applicant's Humble State Well No. 1, located 1980 feet from the South and West lines of said Section 16.



CASE 1181: Application of Continental Oil Company for a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool. Applicant, in the above-styled cause, seeks an order establishing a 360-acre non-standard gas proration unit in the Eumont Gas Pool consisting of Lots 2, 7, 10, 11, 12, 13, 14, 15, and 16 of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico; said unit to be dedicated to applicant's State F-1 Well No. 5, located 3300 feet from the North line and 1980 feet from the West line of said Section 1.

CASE 1182: Application of Continental Oil Company for a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the S/2 of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico; said unit to be dedicated to applicant's State F-1 Well No. 1, located 660 feet from the South and West lines of said Section 1.

CASE 1183: Application of Amerada Petroleum Corporation for an order authorizing a salt water disposal well in the Bagley-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the conversion to a salt water disposal well of its Amerada State BT "D" Well No. 4, located in the SE/4 SW/4 of Section 2, Township 12 South, Range 33 East, Lea County, New Mexico; the proposed zone of injection is from 9,045 to 9,230 in the Bagley-Pennsylvanian Pool.

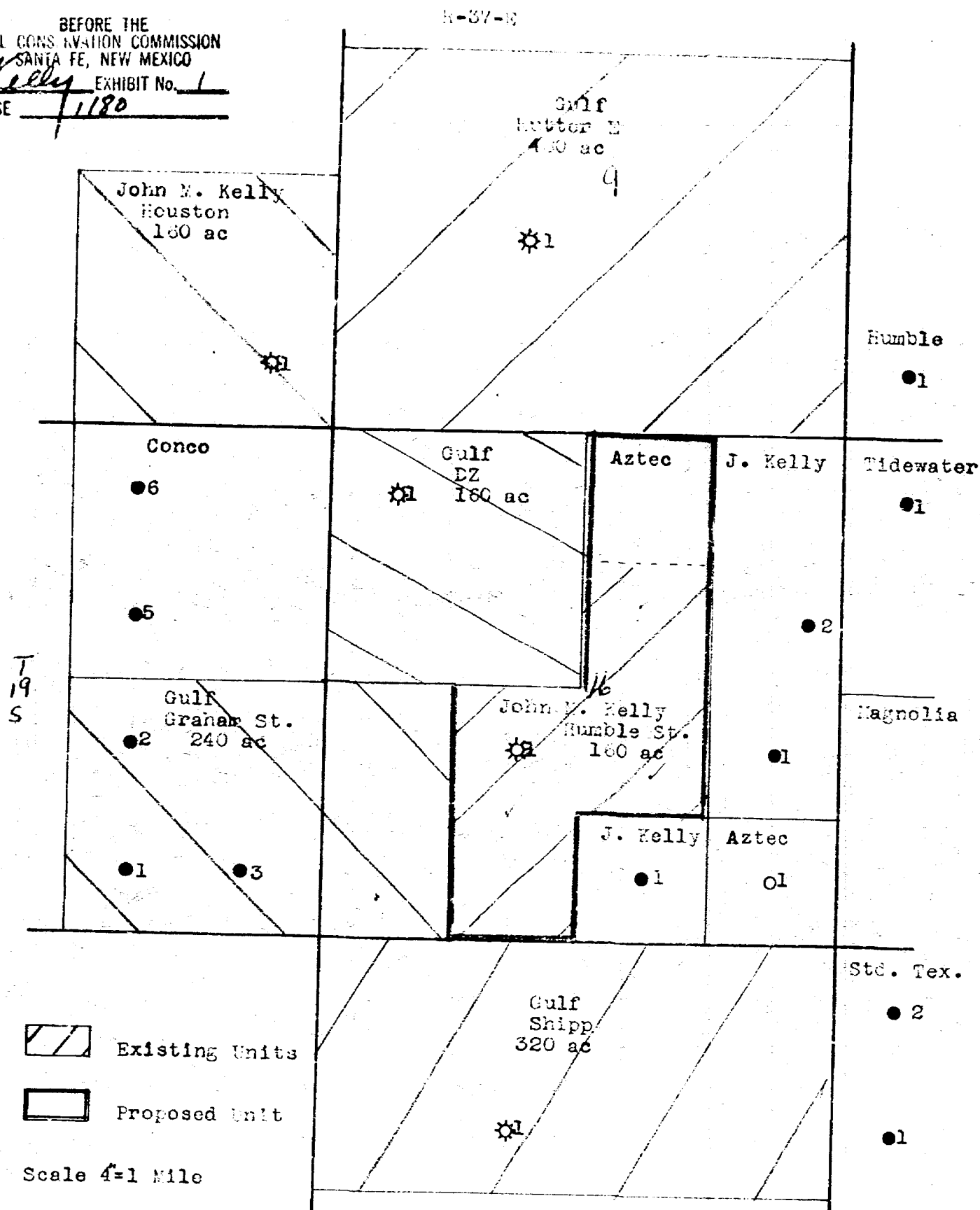
CASE 1184: Application of Harold Kersey, dba Kersey and Company, for approval of the proposed Red Lake Premier Sand Unit in Eddy County, New Mexico, in accordance with Rule 507 of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order approving the proposed Red Lake Premier Sand Unit comprising the following acreage in Eddy County, New Mexico:

Township 17 South, Range 28 East	
Section 19:	SE/4
Section 20:	NE/4 NW/4, S/2 NW/4, NE/4, S/2
Section 21:	SW/4 NW/4, SW/4, W/2 SE/4
Section 28:	NW/4, NW/4 NE/4, NW/4 SW/4
Section 29:	N/2
Section 30:	NE/4

said unit consists of State and Federal Acreage.

ir/

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
*Kelly* EXHIBIT No. 1  
CASE 1180



Plat accompanying application for 200 acre Non-Standard  
gas unit JOHN M. KELLY Humble State # 1.

NEW MEXICO OIL CONSERVATION COMMISSION

JOHN M. KELLY  
Box 5671  
ROSWELL, NEW MEXICO

Case # 1176

NOV 14 1956

November 8, 1956

Sent copy?  
Docket to?

Ken McPeters  
on 11/16/56

Mr. A. L. Porter Jr.  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Sir:

This confirms telegram of November 8, 1956 concerning request to amend application dated October 31, 1956 for 200 acre NSP on Humble State #1. Please schedule a Examiner Hearing for this application at your next scheduled hearing in Hobbs, New Mexico.

Yours very truly,

*Kenneth D. McPeters*

Kenneth D. McPeters  
Production Superintendent

cc: John M. Kelly, Box 5671, Roswell, New Mexico  
New Mexico Oil Conservation Commission, Box 2045, Hobbs, N.M.  
Aztec Oil & Gas Co., Box 847, Hobbs, New Mexico  
Aztec Oil & Gas Co., 920 Mercantile Securities Bldg., Dallas, Texas  
Humble Oil & Refining Co., Box 1600, Midland, Texas  
Shell Oil Company, Box 1957, Hobbs, New Mexico

CLASS OF SERVICE  
This is a fast message  
unless its deferred char-  
acter is indicated by the  
proper symbol.

# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS  
DL = Day Letter  
NL = Night Letter  
LT = International  
Letter Telegram

The filing time shown in the date field on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LA103 SSG097

(06)

L HBA053 PD=HOBBS NMEX 8 1105AMM=

1956 NOV 8 AM 11 59

A L PORTER JR=

NEW MEXICO OIL CONSERVATION COMM SANTA FE NMEX=

RE APPLICATION NSP HUMBLE STATE NO 1 OCT 31 1956 PLEASE  
AMEND APPLICATION TO NEXT SCHEDULED EXAMINER HEARING  
IN HOBBS LETTER FOLLOWS=

JOHN M KELLY=

NSP 1 31 1956=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

JOHN M. KELLY  
Box 5671  
ROSWELL, NEW MEXICO

October 31, 1956

OFFICE CCC

PM 3:43

Re: Application for 200 Acre  
Non-Standard Gas Proration  
Unit, Eumont Gas Pool,  
Lea County, New Mexico.

Mr. A. L. Porter Jr.  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

John M. Kelly hereby makes application for approval of a 200 acre non-standard gas proration unit assigned to the Humble State #1, comprising the NWNE, SWNE, NWSE, E/2SW/4 of Section 16, T-19-S, R-37-E, Eumont Gas Field, Lea County, and in support thereof states the following:

1. The Humble State #1 at the present time has a 160 acre unit assigned, comprising the SWNE, NWSE, E/2SW/4 of Section 16, which was approved by NSP #100.
2. John M. Kelly and Aztec Oil and Gas Company have entered a working interest agreement for the gas rights under the NWNE of Section 16-19-37.
3. The Humble State #1 well is located 1960 feet from the south and 1980 feet from the west lines of Section 16, and was completed January 1, 1955, at a depth of 3850 feet as a gas well in the Eumont Gas Pool. The applicant proposes to use this well as the unit well.
4. The proposed non-standard gas proration unit will meet the requirements of Rule 5 (b) of the Oil Conservation Commission Order R-520 as follows:
  - (a) Contiguous quarter-quarter sections will comprise the unit.
  - (b) The proposed unit lies wholly within a single governmental section.
  - (c) All acreage within the proposed unit may reasonably be presumed productive of gas.

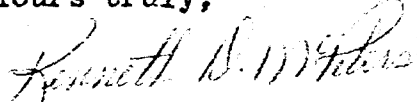
10/31/56

(d) The length or width of the proposed unit does not exceed 5280 feet.

(e) By copy of this letter of application all operators owning interests in the section in which the proposed unit is located and all operators within 1500 feet of the gas well are notified by registered mail.

In view of the existence of the facts herein stated and full compliance with the provisions of Rule 5 of Order R-520 John M. Kelly requests that you as Secretary of the Commission approve the above described non-standard gas proration unit.

Yours truly,



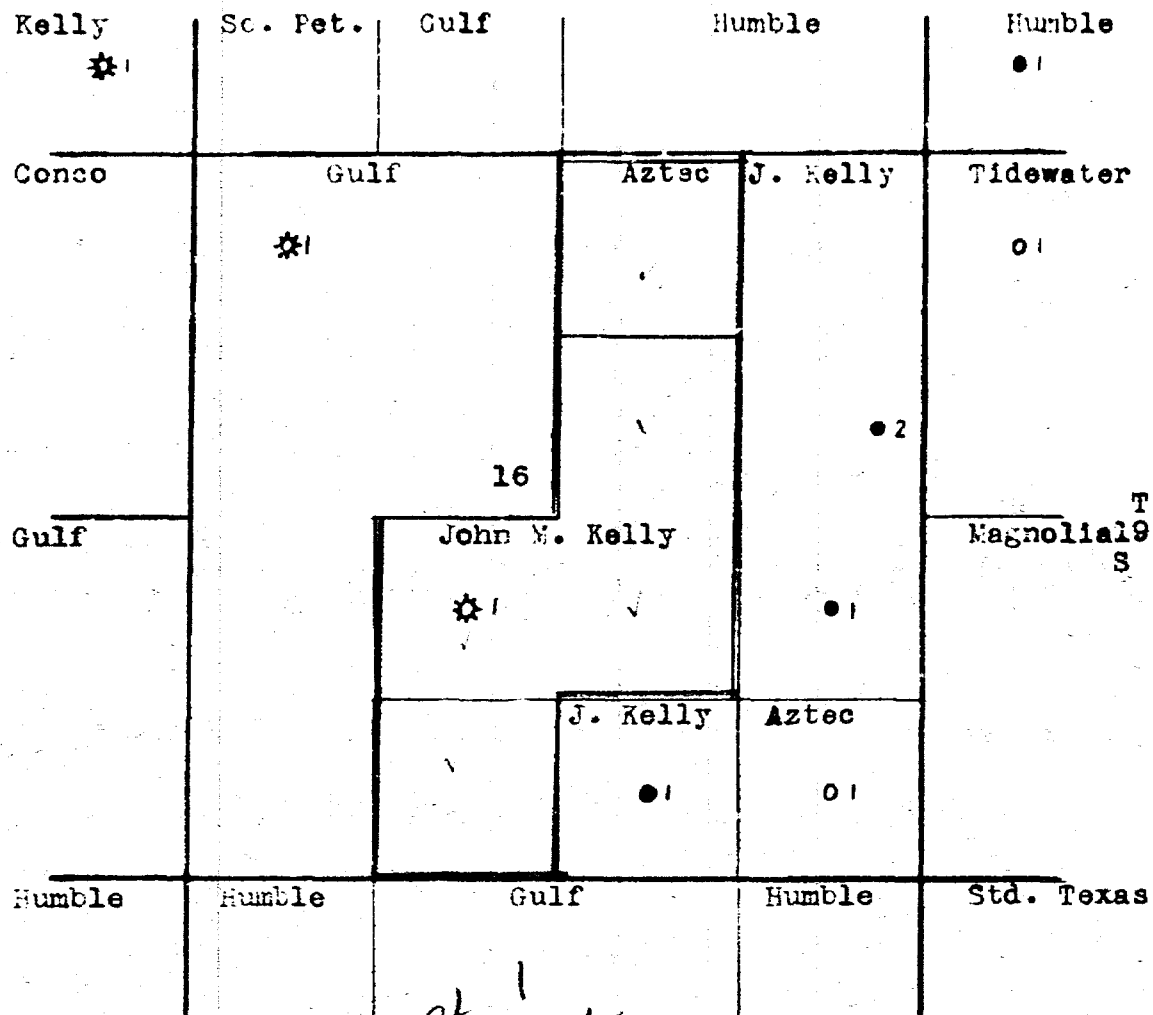
Kenneth D. McPeters  
Production Superintendent

cc: Registered mail - Return Receipt Requested

Gulf Oil Corporation, Box 787, Roswell, New Mexico  
Shell Oil Company, Box 1957, Hobbs, New Mexico  
Humble Oil & Refining Co., Box 1600, Midland, Texas  
Aztec Oil & Gas Company, 920 Mercantile Securities Bldg., Dallas,  
Texas

cc: New Mexico Oil Conservation Commission, Box 2045, Hobbs, N. M.  
John M. Kelly, Box 5671, Roswell, New Mexico  
Aztec Oil & Gas Co., Box 847, Hobbs, New Mexico

R-37-E



*Comp 1-155  
3850'*  
*NSP #100  
approved  
160 acre unit  
Jst 8-24-56  
OF 5275 MCF/day  
7903 MCF/day*  
*Humble St 1  
1980 Stwl  
Sec 16*

JOHN M. KELLY

Scale 4" = 1 Mile

Plat accompanying application for  
200 acre Non-Standard Gas Unit  
John M. Kelly Humble State # 1