BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE NO. 1130 Order No. R-880

APPLICATION OF VELMA PETROLEUM CORPORATION FOR AN ORDER GRANTING APPROVAL OF THE DRILLING OF FOUR WELLS, ONE WELL TO BE LOCATED IN THE CENTER OF EACH FORTY ACRES SUBDIVISION OF THE SE/4 OF SECTION 28, TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM, EDDY COUNTY, NEW MEXICO, WITHIN THE POTASH OIL AREA AS DEFINED BY THE COMMISSION ORDER R-111-A.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for special hearing at 9:00 o'clock a.m. on August 16, 1956, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27^{th} day of September, 1956, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

finds:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That as a result of subsidence experienced in normal potash mining operations, said wells cannot be plugged in such a manner as to confine the crude petroleum oil, natural gas or water in the strata in which they are found thus creating a safety hazard to human life.
- (3) That the drilling of wells at the proposed locations by the applicant would constitute a hazard to and interfere unduly with the orderly development of potash deposits, contrary to the provisions of Order R-III-A.

IT IS THEREFORE ORDERED:

That the application of Velma Petroleum Corporation for an order granting approval of the drilling of four wells,

-2-Order No. R-880

one well to be located in the center of each forty acre subdivision of the SE/4 of Section 28, Township 19 South, Range 30 East, NEPM, Eddy County, New Mexico, be and the same is hereby denied.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. VALKER, Momber

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

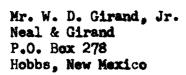


OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 28, 1956



Dear Sir:

On behalf of your client, Velma Petroleum Corporation, we enclose two copies of Order R-880 issued September 27, 1956, by the Oil Conservation in Case 1130, which was heard on August 16th.

Very truly yours,

A. L. Porter, Jr. Secretary - Director

brp Encls.

