

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 26, 1954

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Astec Oil and Gas Company
920 Mercantile Securities Building
DALLAS 1 - TEXAS

Attention: Mr. Quilman Davis, Attorney

Gentlemen:

Administrative Order NSP-29

Reference is made to your application for approval of a 320-acre non-standard gas proration unit consisting of the following acreage:

S/2 Section 35, Township 20 South,
Range 37 East, NMPM, Lea County, N. M.

It is understood that this unit is to be ascribed to your State Unit 'E' No. 1 Well which, prior to the effective date of Oil Conservation Commission Order No. R-520, was drilled at a location 990 feet from the south and west lines of said Section 35. 160 ac.

Inasmuch as you enclosed waivers from offset operators agreeing to the formation of the proposed unit for the subject well, it is now possible for approval to be granted with no delay. Therefore, by authority granted me under provisions of Rule 5, Section (b)-5 of the Special Rules and Regulations for the Eumont Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules.

At the same time, an unorthodox location for your State Unit 'E' No. 1 Well is also approved under authority granted me by provisions of Rule 3 of the Eumont Gas Pool rules as set forth in said Order R-520, the location being as described above.

It is noted that this application was first set up as Case 762 and set for hearing in Hobbs, New Mexico, on October 20, 1954. Prior to the hearing you received offset consents which have made this administrative approval possible. As a matter of form, therefore, you will in due course receive a dismissal order in Case 762, in line with our conversation on October 20.

Very truly yours,

WBM:nr

W. B. Macey,
Secretary-Director

cc: OCC, Hobbs
N. M. Oil & Gas Eng. Comm.