

HUMBLE OIL & REF. CO.

NOV 6 AM 10:38

In reply refer to:
Unit Division

Novem

Schermerhorn Oil Corp.
P. O. Box 1537
Hobbs, New Mexico

Re: Linam "A" No. 1
Communitization -
Section 32-18S-37E,
Lea County, New Mexico

Attention: Mr. J. H. Moore

Gentlemen:

In reply to your letter dated October 30, 1956, in which you ask if the Commissioner of Public Lands has any objections to the inclusion of the NE/4 NE/4 of Section 32-18S-37E, which is contained in Humble Oil and Refining Co. Lease A-1320.

In answer, may we state that the New Mexico Oil Conservation Order No. R-803 was issued May 16, 1956, for your non-standard gas proration unit, but this order stated that your allowable would become effective after you had submitted proof of Communitization, which you have not done.

The Commissioner does not have any objections to the inclusion of this acreage in your non-standard proration unit. However, we do object to your using this 40-acre tract for a portion of your 400-acre allowable without first having communitized it, and we understand you have produced since September on this allowable, and Humble will owe this office royalty on this 40 acres from the time it was used to complete your allowable acreage.

We suggest that you submit this Communitization at the earliest possible time.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

ESW:MMR/m
cc: OCC-Santa Fe
OCC-Hobbs
Humble Oil & Ref. Co.-Roswell

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