

000-106405

NSP-37

THE OHIO OIL COMPANY
P. O. BOX 552
MIDLAND, TEXAS

Subject: Non-Standard Gas Proration
Unit - NE/4 Sec. 27, T-19-S,
R-36-E, Eumont Gas Pool

Mr. W. B. Macey, Secretary
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

The Ohio Oil Company respectfully requests that you grant this application of The Ohio for the designation and formation of a 160-acre non-standard gas proration unit consisting of the NE/4 of Section 27, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico. The Ohio owns the oil and gas leasehold estate on the acreage included in the proposed unit, and the well known as State-McGrail Well No. 3, which is located on the acreage at a point 660 feet from the east line and 660 feet from the south line of the proposed unit, is to be recompleted as a gas well in the Eumont Gas Pool.

All acreage included in the proposed unit falls within the limits of the Eumont Gas Pool and is reasonably presumed to be productive of gas from that Pool. It is impractical to pool The Ohio's leasehold estate with adjoining acreage. Unless the proposed proration unit is formed, The Ohio will be deprived of a fair opportunity to recover its just and equitable share of the natural gas in the Eumont Pool. The formation of the proposed proration unit will protect correlative rights and will not cause but will prevent waste.

A plat is attached hereto which indicates the location of the proposed unit and the location of the surrounding tracts. A copy of this application with plat attached has been sent by registered mail to each of the Operators named on the attached list.

The Ohio therefore requests that you grant an exception to Rule 5(a) of the Special Rules and Regulations for the Eumont Gas Pool, and that this application be approved and the proposed non-standard gas proration unit be designated and formed by you without further notice or hearing and pursuant to the provisions of Rule 5(b) of those Rules, upon the expiration of thirty days from this date.

Respectfully submitted,

THE OHIO OIL COMPANY

D. K. Spellman Jr.
D. K. Spellman, Jr.
Dist Petroleum Engineer

TAS:DKS:dp

Distribution list attached