

OCC
Hobbs

MAIN OFFICE OCC

JUN 25 AM 8:21

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HOBBS OFFICE OCC

JUN 23 AM 9:54
Box 36, Hobbs, New Mexico

NFO-271

On 7/17/56

June 22, 1956

Re: IN THE MATTER OF SHELLY OIL COMPANY SEEKING ADMINISTRATIVE APPROVAL FOR AN EXCEPTION TO ORDER NO. 553 AS PERTAINING TO THE FLARING OF GAS IN THE HURMONT POOL, LEA COUNTY, NEW MEXICO.

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Gentlemen:

Some new SHELLY OIL COMPANY, a Delaware Corporation, with offices in Tulsa, Oklahoma, and Hobbs, New Mexico, hereby petitioning the Secretary of the New Mexico Oil Conservation Commission for administrative approval for an exception to Order No. 553 as pertaining to the flaring of casinghead gas in the Hurmont Pool, Lea County, New Mexico, and in support thereof wishes to make the following statements:

1. That the petitioner is the operator of a 40 acre lease known as its Hobbs #1 lease, located NE/4 NW/4 Section 27-T19S-R34E in the Hurmont Pool, Lea County, New Mexico.

2. That the petitioner is the operator of the well listed below:

| <u>LEASE & WELL NO.</u> | <u>FLARED GAS YLLIUM FEET</u> | <u>GOR</u> | <u>DISTANCE TO NEAREST GATHERING LINE</u> |
|-----------------------------|-----------------------------------|------------|---|
| Hobbs #1 | 29.0 | 906 | 2,000' |

3. That the petitioner is at this time arranging for disposal of the flared casinghead gas.

4. That a plot showing offset ownership, well and tank battery location, and gas sales lines has been prepared and is true and correct to the best of our knowledge.

5. That all provisions of paragraph 10, Order No. 2-520 have been complied with as pertaining to filing of Form O-110 on the well listed above.

WHEREFORE, the petitioner requests that the Secretary of the Commission grant an exception to Order No. 2-520, whereby the petitioner may operate the above well until such time as arrangements are completed for the disposal of the casinghead gas.