

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL 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 27th 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-111-A.

IT IS THEREFORE ORDERED:

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

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Order No. R-880

one well to be located in the center of each forty acre sub-
division of the SE/4 of Section 28, Township 19 South, Range
30 East, NMPN, 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
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

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



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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 28, 1956

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Y

Mr. W. D. Girand, Jr.
Neal & Girand
P.O. Box 278
Hobbs, New Mexico

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

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Encls.