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Box 1957 Hobbs, New Mexico

May 14, 1954

MANN OFFICE OCC SHELDGOIL COMPANY

> Subject: Application for Unorthodox Gas Proration Unit, Shell State (B-1167) Lease, Eumont Gas Pool, Lea County, New Mexico

Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Gentlemen:

Shell Oil Company respectfully submits application for an unorthodox gas proration unit for its State A-1 well in the Eumont Gas Pool. Further, it is requested that this matter be considered at the next regular statewide hearing on June 16, 1954.

The following data is offered in support of this application:

1. Shell Oil Company is the owner and operator of the 1000acre State (B-1167) lease which includes the SE/4 SE/4 of Section 35, T-19-S, R-36-E, Lea County, New Mexico, as shown on the attached plat.

2. Shell Oil Company proposes that the above described acreage be established as an unorthodox 40-acre gas proration unit in exception to Rule 7 (a) of Order R-370A.

3. Shell State A-1, located 660 feet from the south and east lines of Section 35, T-19-S, R-36-E, Lea County, New Mexico, was completed as a Eumont (gas) - Monument (oil) dual well December 24, 1952. Permission to dually complete this well in the Eumont Gas Pool and the Monument Pool was granted by the Oil Conservation Commission in Order R-215 dated November 28, 1952.

4. No other Eumont gas well is completed on the 40-acre proration unit proposed under this application.

Yours very truly.

W. E. Owen Division Manager

