

CACTUS DRILLING COMPANY

FIRST SAVINGS BUILDING  
SAN ANGELO, TEXAS

August 3, 1962

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Request for Non-standard Gas Proration Unit  
Catron State "B" Well No. 1; W-H E/2 NE/4  
NW/4 NE/4; Section 11, Twp. 18-S, Rge. 36E  
Lea County, New Mexico

Gentlemen:

We hereby request approval for a Non-standard Proration Unit consisting of 120 acres as above captioned.

Cactus Drilling Company completed a producing gas well located 660' from the North line and 660' from the East line of Section 11 and located within a proposed proration gas unit consisting of 160 acres to which United States Smelting Mining and Refining Company contributed 40 acres described as the NW/4 of the NE/4 and Mr. John M. Kelly had agreed to contribute the SW/4 of the NE/4 with the 80 acres owned by Cactus Drilling Company described as the E/2 of the NE/4.

Mr. John M. Kelly, upon his appointment to a federal office, disposed of his oil holdings and Continental Oil Company acquired that portion of the above unit which had been committed by Mr. Kelly.

Subsequent correspondence from February 16, 1961 through December 2, 1961 was unsuccessful in securing Continental Oil Company approval to participate in the unit and we received no answer to our letter of December 2, 1961 wherein we advised Continental if they could not agree to carrying out the verbal agreement Mr. Kelly had made, then we would apply for a 120 acre allocation to this well. In view of the stand taken by Continental and supported by copies of correspondence attached, Cactus Drilling Company respectfully requests the Commission's favorable consideration of our application for a 120 acre unit applicable to our Catron State "B" Well No. 1.

Yours very truly,

CACTUS DRILLING COMPANY

  
L. E. Nilsson

LEN/gr  
Encls.