OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE. NEW MEXICO

January 10, 1954

NSP-76

160 ro Year

Mr. John M. Kelly P. O. Box 5671 Roswell, New Mexico

Dear Mr. Kelly:

Reference is made to your application for approval of a 320-ac non-standard gas proration unit in the Eumont Gas Pool comprising the S/2 of Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. This acreage was to have been assigned to your Phillips-State No. 1 Well, said well being located 660' from the East and South lines of Section 12.

Order R-520, Rule 5 (a) paragraph 3, clearly limits, as to the well location, the number of acres that can be assigned a non-standard gas proration unit. This office is unable to grant approval of a non-standard gas proration unit for the above mentioned well of over 160 acres because of the said well's location to its boundaries. Further it is the opinion of this office that the SW/4 of Section 12 would probably be more productive of oil than gas.

If you have any information which we have not considered or if you should desire a hearing on this matter, please notify the Commission at your earliest convenience.

Very truly yours,

W. B. Macey Secretary - Director

WBM:jh

cc: Oil Conservation Commission, Hobbs

N. M. Oil & Gas Engineering Committee, Hobbs