OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

NSP-79 noassignment

Stanoline Oil & Gas Company P. O. Box 68 Hobbs, New Mexico

Attention: Mr. Ralph L. Hendrickson

Gentlemen:

Reference is made to your application for approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the S/2 of Section 4. Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. This acreage was to have been assigned to your C Meyers "B" Well No. 2, located 330' from the South and West lines of Section 4.

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.

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