

CONSERVATION COMM. DIV.  
P. O. BOX 871  
SANTA FE, NEW MEXICO

HOBBS OFFICE OCC

1957 NOV 11 PM 2:33

November 8, 1957

Mr. John Kelly  
Box 5671  
Roswell, New Mexico

Re: The Allowable for the Gulf,  
Albert Shipp 8-2, S $\frac{1}{4}$  18 $\frac{1}{2}$ -  
8-19S-37E

Dear John:

Since I have not been able to contact you by telephone as you requested, I am writing this letter to clarify the allowable situation insofar as the size of the unit is concerned for the above well.

1. This well was completed on the Eumont Gas Pool August 18, 1955.
2. An application for NSP No. 226 was received December 21, 1955 and approved January 29, 1956.
3. Order 8-717 was in effect at the time which was Gulf's authority to form a non-standard unit consisting of the NE $\frac{1}{4}$  of Section 8 and NW $\frac{1}{4}$  of Section 7, Township 19 South, Range 37 East. This order was cancelled, at the request of Gulf, by a letter from Mr. Macey approving the cancellation January 29, 1956.
4. The 320 acre allowable was assigned retroactive to September 1, 1955.
5. An application from Gulf for reduction from 320 acres to 160 acres was received in this office December 13, 1956 and granted as NSP 338 January 17, 1957 and as a result of NSP Supplement No. 16 was issued December 1, 1956 reducing the dedicated acreage to 160 acres.
6. As required in NSP 338, proof of communitization was submitted to this office effective September 30, 1957 which automatically put NSP 226 in effect again. A 320 acre allowable will be assigned this well effective October 1, 1957.

I see no possible way of reinstating the 320 acre allowable for the period of December 1, 1956 to October 1, 1957. As a matter of fact I seriously doubt that we had any authority to assign the 320 allowable to this well September 1, 1955 without some proof of communitization.

If we can be of further assistance in this matter please advise.

Very truly yours,

ELVIS A. UTZ  
Gas Engineer

