## L CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEWSMEXICO

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January 11, 1955

canolind 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 Eumont Gas Pool consisting of the E/2 of Section 21, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. This acreage was to have been assigned to your O. J. Gillully "B" Well No. 6X, located 390' from the North line and 660' from the East line of Section 21.

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

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cc: Oil Conservation Commission, Hobbs

N. M. Oil & Gas Engineering Committee, Hobbs

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