

CONSERVATION
HOBBS, NEW M.

101N

~~May 27, 1956~~

Mr. Jack Brown
Stanolind Oil & Gas Company
Box 899
Roswell, New Mexico

Re: Stanolind Oil & Gas Co. House #1-B
in Unit P of Sec. 11-20-38, House
pool, Lea County

Dear Sir:

Reference is made to our telephone conversation pertaining to the classification of the above-captioned well. Effective April 1, this well will be classified as a gas well producing from the House pool, provided that all the gas produced is marketed. Under this arrangement, conservation will be served to the extent that the quantity of gas now being flared will be put to use. Due to the fluctuating demands of the transmission companies, you will be allowed to produce a volume of gas over a yearly period equal to the normal unit allowable assigned to the pool times the gas oil ratio limit, which at this time is 2000 to 1.

It will be necessary for you to request an incidental oil allowable for this well in connection with the gas production. These requests should be made to the Hobbs proration office and will be carried at the rear of the gas proration schedule. We shall appreciate it if you will make arrangements with the gas transmission companies to submit periodic (either semi-annual or annual) summaries of the volumes of gas produced and the allowable gas production.

If you have any further questions concerning this matter, please contact Mr. Porter.

Yours very truly,

OIL CONSERVATION COMMISSION

W. B. Massey
Director

WBM/hs

cc: Mr. Norman Woodruff, El Paso Nat. Gas, El Paso
Mr. Dub Benloch, El Paso Nat. Gas, Jal
Oil Commission, Santa Fe