

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO 88240

April 14, 1972

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Charm Oil Co.  
Box 1006  
Eunice, New Mexico

Gentlemen:

Since your Wilson State Wells Nos. 3 and 4 located in Section 11, T-21-S, R-35-E, are producing with a ratio in excess of 100,000 to 1, they are being reclassified as gas wells in the Eumont Gas Pool effective May 1, 1972.

These wells are to be shut in on May 1, and will remain shut in until you have complied with the provisions of Commission Order No. R-1670 pertaining to the Eumont Gas Pool.

Yours very truly,

OIL CONSERVATION COMMISSION

Joe D. Ramey  
Supervisor, District 1

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As the Commission has been organized to conserve the oil resources of the State of New Mexico, it is the duty of the Commission to see that the oil resources of the State are conserved and that the oil is produced in a manner which will insure the maximum recovery of the oil from the reservoirs. The Commission has the honor to acknowledge the receipt of your letter of the 10th inst. and in reply to inform you that the Commission has no objection to the proposed lease of the land described in your letter, provided that the lease is subject to the approval of the Commission and that the lease is for a term of years not exceeding ten (10) years. The Commission further advises you that the lease should be subject to the condition that the lessee shall pay to the State of New Mexico a royalty of not less than one-eighth (1/8) of the net proceeds from the production of oil from the land covered by the lease. The Commission further advises you that the lease should be subject to the condition that the lessee shall pay to the State of New Mexico a royalty of not less than one-eighth (1/8) of the net proceeds from the production of oil from the land covered by the lease.

Very truly yours,  
Commissioner of the Oil Conservation Commission

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