Two STATES OIL COMPANY 154

DALLAS, TEXAS

P. 0. Box 176 Eunice, New Mexico, May 11, 1955.

Mr. W. B. Macey, New Mexico Oil Conservation Commission P. 0. Box 871, Santa Fe, New Mexico.

> In re: Application for Exception to Rule 5(a) Order No. R-520, Two States 011 Company, Mary L. McQuatters No. 1, Eumont Field.

Dear Sir:

Under the provision of Commission Order No. E-520, Rules 3 and 5 (b) delegating the Secretary of the Commission authority to grant exceptions to the requirements of Rule No. 5 (a) without notice and hearing for non-standard gas provetion unit, Two States Oil Company hereby applies for an exception to the abovementioned rule for Mary L. MoQuatters No. 1, Sumont Field.

Mary L. Moquatters No. 1 is located 1980 feet from the South line and 1980 feet from the East line of Section 11, Township 21 South, Hange 36 East. This well was completed February 9,1937, as an oil well in the Eunice Field and tested 333 barrels of oil in 12 hours.

Because of declining production, notice of intention to recomplete the well was filed on November 17, 1952, and approval was granted on November 18, 1952.

It was recompleted on February 17, 1953, and potentialed 1,750 MCFPD on open flow from the Queens-7 Rivers formation. The casing perforations were from 3218 feet to 3628 feet and the top gas pay is at 3218 feet.

Regarding the exception to Rule No. 5 (a) we wish to state the following:

(A) That the proposed non-standard gas proration unit of 120 acres consists of the S/2 NE/4 and NW/4 of SE/4 of Section 11, Township 21 South, Range 36 East.

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- (B) That the entire proposed non-standard gas proration unit lies wholly within a single governmental section.
- (C) That the entire proposed non-standard gas proration unit may reasonably be expected to be productive of gas.
- (D) That the length or width of the proposed non-standard gas proration unit does not exceed 5280 feet.
- (E) That the entire proposed non-standard gas proration unit lies within the horizontal limits of the Eumont Gas Pool.
- (F) That by copy of this letter of application, all operators owning interest in the section in which the nonstandard gas proration unit is situated and which acreage is not included in said non-standard gas proration unit and all operators owning interest within 1500 feet of the well have been notified by registered mail of this application as shown below.

A plat showing the acreage to be dedicated, well location and offset ownership is attached.

Yours very truly,

Two States 011 Co.

. J. Causi

J. C./Crain, President.

TWO STATES OIL COMPANY

DALLAS, TEXAS

State of Texas, County of Dallas

On this // day of May, 1955, before me personally appeared J. C. Grain, to me known to be the person who executed the foregoing letter and states that the foregoing statements are true to the best of his knowledge and belief.

IN WITNESS WHEREOF: I have hereunto set my hand and affixed my seal on this the day and year first above written.

Notary Jublic for the State of

Texas and the County of Dallas

My Commission Expires: 6-1-VV

cc: Continental Oil Company Box 427 Hobbs, New Mexico.

> Gulf Oil Corporation Box 2167 Hebbs, New Mexico

Mid-Continent Fetroleum Corp. Stanolind Gil & Gas Co. Box 830 Midland, Texas

Sinclair Oil & Gas Co. Box 1470 Hobbs, New Mexico

Samedan Oil Corporation Box 959 Ardmore, Oklahoma

Box 68 Hobbs, New Mexico