

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

RECEIVED SEP 13 PM 4:31

September 11, 1963

Mr. Joe D. Ramey
Supervisor, District 1
Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico

Re: T.P.C. and O. Co. Well No. 2, SE/4 NW/4 and
T.P.C. and O. Co. Well No. 3, NE/4 SW/4, Sec-
tion 25, Township 22 South, Range 37 East,
NDPM, Lea County, New Mexico

Dear Joe:

In Amanda E. Sims et al. v. Oil Conservation Commission et al., No. 7206, the Supreme Court of New Mexico declared Commission Order R-1310 void. As Order No. R-1310 had superseded Order No. R-677, the effect of the Court's decision was to re-establish the validity of Order No. R-677 and the non-standard proration unit created by that order. As T.P.C. and O. Co. Well No. 2 was drilled in reliance on Commission Order No. R-677 and T.P.C. and O. Co. Well No. 3 was drilled in reliance on Commission Order No. R-1310, the result is that there are now two wells located on the same non-standard proration unit.

As the Commission Rules and Regulations do not prohibit the drilling of more than one well on a standard or non-standard proration unit at standard locations and both wells comply with the well location requirements, the acreage comprising the non-standard unit created by Order No. R-677 may be dedicated to both wells simultaneously. As long as the combined production status from both wells does not exceed a 160-acre allowable in the Tubb Gas Pool,

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Mr. Joe D. Ramsey
Supervisor, District 1
Oil Conservation Commission
Hobbs, New Mexico

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the operator may produce any portion of the allowable that he desires from each well. As the combined production status for both wells since July 1960 when the No. 3 well went on production has not exceeded a 160-acre one-well non-marginal allowable in the Tubb Gas Pool, the Commission does not feel that any action is necessary on its part concerning these two wells. Of course, any interested party may file an application for hearing concerning the wells and the production therefrom if he so desires.

Very truly yours,

J. M. DURRETT, Jr.
Attorney

JMD/esr

cc: Mr. John F. Russell
Attorney at Law
500 North Main
Roswell, New Mexico