

June 2, 1955

Claud E. Alkman  
Hervey, Dow & Hinkle  
1st. National Bank Bldg.  
Roswell, New Mexico

Attention: Mr. C. Hinkle

Gentlemen:

Reference is made to your application for approval of a 120-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the S/2 NE/4, NE/4 NE/4 of Section 2, Township 25 South, Range 37 East, Lea County, New Mexico, to have been assigned to your Hale-State Well No. 1.

Information available at this office indicates that your Hale-State Well No. 1 is completed within the Queen formation, which in this area is within the vertical limits of the Langlie-Mattix Oil Pool. Therefore this office is unable to approve your application for gas allowable and assignment thereof to the Jalmat Gas Pool.

Due to the completion of this well it will be necessary to assign only 40 acres to said well and to prorate this well under the provisions as outlined in Order R-520, page 5, paragraph 11, under which you will be allowed to produce a volume of gas not to exceed the daily unit allowable times the limiting ratio of 10,000. The well shall remain a gas well in the Langlie-Mattix Oil Pool. Further, your attention is called to statewide Rule 502 which limits the production from any well to not more than 125% of the top daily unit allowable for the pool in which the well is located.

Very truly yours,

C. M. Rieder  
District Engineer

CMR:jh  
cc: Oil Conservation Commission  
Hobbs, New Mexico