

Leonard Oil Company

BOX 708

Roswell, New Mexico

May 17, 1955

ROBERT J. LEONARD
PRESIDENT

REGISTERED
Return Receipt Requested

C
New Mexico Oil Conservation Commission
Capitol Building
Santa Fe, New Mexico

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RE: Application of Gulf Oil Corporation for
non-standard 320-acre gas proration unit
S $\frac{1}{2}$ Section 16-25S-37E, Jalmat Gas Pool,
Lea County, New Mexico

Gentlemen:

We have received a copy of an application dated May 11, 1955 for approval of the above described non-standard gas proration unit.

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Leonard Oil Company is the owner of a lease covering the W $\frac{1}{2}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 21-25S-37E. Leonard Oil Company now has a gas well, being its Lanehart #4, situated 990' south of the south line of Section 16, to which well the 160-acre gas allowable is now assigned. Leonard Oil Company hereby objects to the granting of administrative approval for the 320-acre non-standard gas proration unit applied for, for the following reasons:

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1. The SW $\frac{1}{4}$ of Section 16 cannot reasonably be presumed to be productive of gas from the Jalmat Gas Pool. The completion and production history of the Gulf wells Nos. 3 and 4 in said SW $\frac{1}{4}$ negative the presence of gas in this quarter section in an amount sufficient to justify the granting of an allowable to it.
 2. There is no control to the east of the proposed unit well on which a reasonable presumption of gas production on the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 16 can be based.
 3. The granting of a 320-acre unit allowable to the proposed unit well will cause drainage from the lease of Leonard Oil Company, particularly in view of the fact that the proposed unit well is situated 330' closer to the section line than is the gas well of Leonard Oil Company.