## October 1, 1958

Magnolia Petroleum Company 2112 Veet Main Farmington, New Mexico

Attn: Mr. Villiam A. Morgan

Gentlement

We have received annual packer leakage test on Magnelia's Jioarilla "0" #3 well in unit H, Section 8-26N-3N, Rio Arriba County, New Mexico.

In our opinion the results of this test as indicated by the measured pressures is inconclusive. During the week in which the Pictured Cliffs Formation was produced into the line the Mesaverde pressure appears to have declined 19%. While this does not seem to indicate a large leak it does indicate the possibility of communication.

We are therefore directing that another packer leakage test be scheduled on this well in order that it might be determined if the zones are separated. Please schedule the new test with this office in writing fin order that the test may be witnessed by the Commission.

Yours very truly

Emery C. Arnold Supervisor, District #3

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ec: Mr. Elvie A. Uts OCC, Santa Pe, N.M.

## Acrober 1, 1995

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