MAGNOLIA PETROLEUM COMPANY

A SOCONY MOBIL COMPANY

P. O. Box 2406 Hobbs, New Mexico May 29, 1957

New Mexico Oil Conservation Commission Aztec, New Mexico

Attention: Mr. Emery C. Arnold

Re: Ah-Nus-Ba #1

Sec. 22, T-25N, R-11W

Undesignated Lower Gallup Field San Juan County, New Mexico

Dear Sir:

We propose to drill the subject well to a projected depth of 5200' or 5300'. It is further proposed to test and complete subject well in the Lower Gallup Zone at approximately 4930'. We further propose to test all zones from the surface to projected depth which appear productive or warrant testing.

We further propose to set 300° of 8 5/8° surface casing and set 5 1/2° casing on bottom. We will perforate in the Lower Gallup Zone.

The subject well is located 1980' FSL and 1980' FWL of Section 22, T-25N. R-11W. San Juan County, New Mexico.

Yours very truly,

W. C. Dougherty,

Moregher

District Superintendent

WCD/bm