

NEW MEXICO  
OIL CONSERVATION COMMISSION  
AZTEC, NEW MEXICO

April 13, 1956

Magnolia Petroleum Company  
Box 633  
Midland, Texas

Att: Mr. R.T. German, Division Production Sup't.

Dear Sir:

We have been forwarded an approved Notice of Intention to Drill from the U.S.G.S. Office in Farmington. Attached to the Notice of Intention to Drill is the New Mexico Oil Conservation Commission's Form C-128, which is the Well Location and Gas Proration Plat. This well is presently about a mile and quarter from the boundary of the Blanco Mesaverde gas pool and therefore will not be governed by Blanco Mesaverde pool rules until such time as production has been secured and the pool boundary extended. If the well does produce and the pool is extended then this well will be prorated in the Blanco Mesaverde Pool under the provisions of Order R-128-D. Order R-128-D, Rule 1 states that a standard gas proration unit in the Blanco Mesaverde Pool shall consist of between  $3\frac{1}{6}$ - $3\frac{1}{4}$  surface contiguous acres. Rule 1, Paragraph B states what procedure should be followed in securing administrative approval of a non-standard proration unit such as yours. I would, therefore, suggest that you take steps to secure administrative approval for the proration unit at least as soon as the Blanco Mesaverde Pool has been extended to take in your well, as this will be necessary before an allowance can be granted.

We also note that you anticipate dually completing this well in the Pictured Cliffs Sandstone. A separate gas well plat showing  $1\frac{1}{4}$  section or, in this case, half of a partial section, should be submitted, as Pictured Cliffs spacing in the Basin is set up on the basis of approximately 160 acres. In cases of short sections such as this, the unit should be set up along subdivision boundaries so as to as nearly as possible conform with 160-acre spacing. For wildcat Pictured Cliffs the problem of administrative approval of the non-standard unit can be delayed until such time as proration is instituted.

Yours very truly

ECA:ks

Emery C. Arnold  
Supervisor, District #3

cc: Warren Mankin  
OCC, Santa Fe, N.M.