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The New Mexico Federal Unit (a name used for convenience to describe an operation conducted by Continental Oil Company for itself and the other joint owners, Stanolind Oil and Gas Company, Standard Oil Company of Texas and Atlantic Refining Company, of certain Federal leases in Lea County) supervises the operation of 223 wells and considerable undeveloped acreage. The N. M. F. U. recommends the enactment and enforcement of stringent rules and regulations for the conservation of oil and gas in New Mexico and suggests the following procedure:

- (a) The establishment of a reasonable gas oil ratio limit for each pool.
- (b) The penalizing of the allowable of each well exceeding that limit so that no well be permitted to produce more gas than an amount equal to the normal oil allowable multiplied by such gas oil ratio limit.
- (c) That no exceptions from this procedure be granted, regardless of supposedly peculiar conditions affecting any particular well or operation.
- (d) That accurate gas oil ratio measurements be made at periodic intervals and that sworn reports be required from the operators through the U. S. mails.
- (e) That state authorities test a sufficient number of wells to insure reasonably accurate reports and enable them to detect inequities.
- (f) That consideration be given to a production unit plan in those cases where additional conservation may be achieved by the use of such a plan, but that the tentative or final application of such plan be not permitted to alter the procedure here suggested or delay putting it into effect.