



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
1000 RIO BRAZOS ROAD - AZTEC  
87410

November 27, 1974

I. R. TRUJILLO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

Mr. E. L. Fundingsland, Jr.  
Lynco Oil Corporation  
#2 Denver Technological Center  
7890 East Prentice Ave.  
Englewood, Colorado 80110

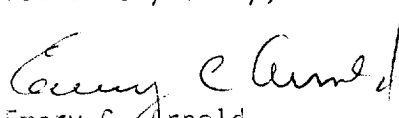
Re: Lynco Oil Corporation  
Regina #3, SW S 6-T 23N- R 1W

Dear Mr. Fundingsland,

We have received copies of Federal Application For Permit to Drill for the above well accompanied by your letter explaining why the well is being drilled on a tract already containing a producing Pictured Cliffs well. The vertical limits of the South Blanco Pictured Cliffs pool is the entire Pictured Cliffs formation, so there would be no difference in pool classification even though different sand lenses are open in each well. This being the case it will be necessary that the southwest quarter of section 6 be operated as a joint proration unit. This will entail assigning an allowable to the tract and producing it from either or both wells. This will make it necessary that both wells be operated under the same name and by the same operator. The other well is designated as the "Trans Delta Oil & Gas Company, Inc., Elliott Federal #1". You should therefore either file form C-104 changing the old well, or file a Federal Sundry Report changing the designation of the new well.

If you have any questions please contact me.

Yours very truly,

  
Emery C. Arnold  
Supervisor, District #3

ECA/me

cc: Mr. A. L. Porter, Jr.  
NMOCC, Santa Fe

USGS, Durango, Colorado