

NEW MEXICO  
OIL CONSERVATION COMMISSION  
AZTEC, NEW MEXICO

June 26, 1956

Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Att: Mr. Warren Mankin

Dear Warren:

Reference is made to the note which you have sent, along with a copy of Humble Oil & Refining Company's application for NWU covering the 124.14-acre unit for their #2 Jicarilla-Apache, SW/4 Section 19-24N-4W.

This well is in an undesignated Pictured Cliffs Pool and would therefore be handled as a wildcat. I am at the present time a little confused as to what our procedure should be for non-standard units on wildcat wells. I believe that it is generally covered at the present time by Rule 104, Paragraph (b) which says that "a wildcat well should be located on a tract of not less than 160 acres substantially in the form of a square which is a quarter-section." In our proposed revision to Rule 104 we have suggested that the wording be changed from "at least" to "approximately". At any rate, whether the rule is written as it is now or as we have proposed there are no provisions in Rule 104 stating how an exception may be granted where the well is a wildcat. We have therefore been using pool rules as set up in other Pictured Cliffs pools and I am not sure that this is proper.

I am inclined to think that the best way to handle the problem so far as wildcat acreage dedications are concerned is that we accept acreage dedications which are legal subdivisions being quarter-sections as being standard units, regardless of their acreage. At such time as the pool rules are formulated we could take up the matter of further approval.

At any rate I see no reason why NWU-179 should not be approved, but as Rule 104 now reads I am not sure by what authority you are granting the approval.

Yours very truly

Emery C. Arnold  
Supervisor, District #3

ECA:ks

