

NEW MEXICO
OIL CONSERVATION COMMISSION
AZTEC, NEW MEXICO

October 20, 1955

Honolulu Oil Corporation
Drawer 1391
Midland, Texas

Att: Mr. George R. Hoy

Dear Mr. Hoy:

We are returning your copies of Gas Well Plat on the Honolulu #1 Jicarilla-Apache well in the SW/4 Section 10-26N-4W. At the present time production from this area is not prorated, so the question of the number of acres dedicated is not at this time an important consideration. I would like to point out, however, that 320-acre spacing for gas wells in the Pictured Cliffs formation has not been approved by the Oil Conservation Commission anywhere in the San Juan Basin as of this date. The standard spacing for any wildcat is 160 acres and if proration should come to that area the proration unit will be set upon the basis of 160 acres unless further action is taken by the Oil Conservation Commission to establish 320-acre proration units in this area.

At the present time the Commission has under advisement a case asking for 320-acre spacing in this general area. The case was brought to hearing by the Amerada Petroleum Company. I presume they will reach a decision in the near future and at that time it would probably be advisable for you to re-file gas well plats in accordance with their findings if they should decide in favor of 160-acre units.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ks

cc: Mr. W.B. Macey
Secretary-Director, OCC
Santa Fe, N.M.

100-442688-1036

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