

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO

June 21, 1968

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Meadco Properties, Ltd.
503 Vaughn Bldg.
Midland, Texas

Attention: Mr. Everett Smith

Gentlemen:

We have this date approved the completion of your Shell State No. 1 located in Unit G of Section 5, T-12-S, R-33-E as an extension to the Bagley Penn Pool. This well is governed by the Bagley Penn rules and as a result, only 40 acres can be dedicated to the well. Please submit two copies of a revised Form C-102 outlining the 40 acre unit.

The Bagley Penn Pool has no provisions for the venting or flaring of casinghead gas, so please contact Warren immediately and arrange for a connection as soon as possible. In addition, the Bagley Penn has rules to prohibit the disposal of produced water into an open pit. Therefore, please make arrangements to tie into a salt water disposal system, or collect the water in tanks and haul it to a disposal system immediately.

Yours very truly,

OIL CONSERVATION COMMISSION

Joe D. Ramey
Supervisor, District 1

JDR/mc