

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

NOTICE OF INTENTION TO DRILL

Notice must be given to the Oil Conservation Commission or its proper agent and approval obtained before drilling begins...

Dallas, Texas

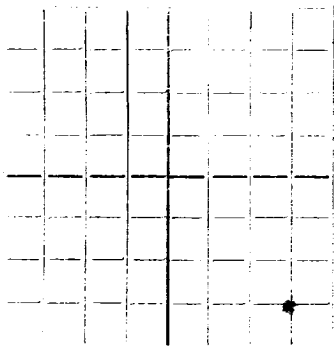
Jan. 29, 1940

OIL CONSERVATION COMMISSION, Santa Fe, New Mexico.

Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as Magnolia Petroleum Company

Company or Operator Lease Well No. 54 in SE1/4 SE1/4 of Sec. 14, T. 178, R. 34E, N. M. P. M., Vacuum Field, Lea County



AREA 640 ACRES LOCATE WELL CORRECTLY

The well is 660 feet (N.) (S.) of the north line and 660 feet (E.) (W.) of the east line of SE1/4 SE1/4

(Give location from section or other legal subdivision lines. Cross out wrong directions)

If state land the oil and gas lease is No. B-1520 Assignment No.

If patented land the owner is

Address

If government land the permittee is

Address

The lessee is Magnolia Petroleum Company

Address Box 900, Dallas, Texas

We propose to drill well with drilling equipment as follows:

Rotary Tools

The status of a bond for this well in conformance with Rule 39 of the General Rules and Regulations of the Commission is as follows: Financial status of Company filed with Commission and in First Judicial District of New Mexico

We propose to use the following strings of casing and to land or cement them as indicated:

Table with 7 columns: Size of Hole, Size of Casing, Weight Per Foot, New or Second Hand, Depth, Landed or Cemented, Sacks Cement. It lists two casing strings: one 12 1/2 inch casing to 828 feet depth, and another 8-3/4 inch casing to 4344 feet depth.

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil and gas sand should occur at a depth of about 4577 feet to be drilled with Magnolia tools.

Additional information:

FEB 1 - 1940

Approved except as follows: 19.....

Sincerely yours.

MAGNOLIA PETROLEUM COMPANY

Company or Operator

By Leitha Smith

Clerk

Position

Send communications regarding well to

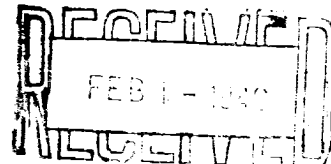
Name Leitha Smith

Address Box 900, Dallas

OIL CONSERVATION COMMISSION

By Roy Parkhurst

Title OIL & GAS INSPECTOR



HOBBS OFFICE

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial statements and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly.

2. The second part of the document outlines the procedures for handling cash receipts and payments. It is important to ensure that all receipts are properly issued and recorded, and that all payments are authorized and supported by appropriate documentation. This helps to prevent errors and fraud, and ensures that the company's cash flow is accurately reflected in the financial statements.

3. The third part of the document discusses the process of reconciling bank statements with the company's records. This is a critical step in the accounting cycle, as it helps to identify any discrepancies between the company's records and the bank's records. Discrepancies should be investigated and resolved as soon as possible to ensure the accuracy of the financial statements.

4. The fourth part of the document outlines the procedures for preparing the financial statements. This includes the calculation of the profit and loss statement, the balance sheet, and the cash flow statement. It is important to ensure that all transactions are properly recorded and classified, and that the financial statements are prepared in accordance with the applicable accounting standards.

5. The fifth part of the document discusses the importance of reviewing the financial statements and providing a clear explanation of the results to the management and the board of directors. This helps to ensure that the company's financial performance is accurately reflected, and that any areas of concern are identified and addressed.

6. The sixth part of the document outlines the procedures for handling fixed assets. This includes the recording of the purchase of fixed assets, the calculation of depreciation, and the recording of the disposal of fixed assets. It is important to ensure that all fixed assets are properly recorded and valued, and that depreciation is calculated in accordance with the applicable accounting standards.

7. The seventh part of the document discusses the process of preparing the annual financial statements. This includes the calculation of the profit and loss statement, the balance sheet, and the cash flow statement. It is important to ensure that all transactions are properly recorded and classified, and that the financial statements are prepared in accordance with the applicable accounting standards.

8. The eighth part of the document outlines the procedures for handling tax matters. This includes the calculation of the tax liability, the preparation of the tax return, and the payment of the tax. It is important to ensure that all tax obligations are properly calculated and paid, and that the tax return is prepared in accordance with the applicable tax laws.

9. The ninth part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial statements and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly.

10. The tenth part of the document outlines the procedures for handling cash receipts and payments. It is important to ensure that all receipts are properly issued and recorded, and that all payments are authorized and supported by appropriate documentation. This helps to prevent errors and fraud, and ensures that the company's cash flow is accurately reflected in the financial statements.