OIL CONSERVATION COMMISSION HOBBS, NEW MEXICO

March 20, 1956

Magnolia Petroleum Company

Box 727 Kermit, Texas

Re: Reclassification State C #1-N

Gentlemen:

It has come to our attention that the latest Gas Cil Ratio test on your State C #1-N 16-23-36, Jalmat pool, is in excess of 100,000 to 1, which automatically classifies the well as a gas well according to the definition of a gas well in Commission Order No. R-520. You are therefore directed to make application to the Cil Conservation Commission in Santa Fe for a non-standard gas proration unit and to file the original and one copy of Form C-128(Gas Well Plat) with the Hobbs office, outlining thereon the acreage which you propose to dedicate to the well. You must also show within the outlined area all other oil and gas producing wells. In the meantime, the well will be continued on the oil proration schedule with a 4 bbl. allowable until May lst.

This matter should be given your very prompt attention so that there will be no delay in the transferring of the well from one schedule to another.

Yours very truly,

OIL CONSERVATION COMMISSION

A. L. Porter, Jr. Proration Manager

ALP/hs

cc: Cil Commission, Santa Fe Well File