

New Mexico
Oil Conservation Commisison
AZTEC, NEW MEXICO

September 10, 1953

Mr. J. Ernest Corey
Attorney at Law
Sunshine Building
Albuquerque, New Mexico

Re: James T. Watson #1 Arthur N. Pack
1340' from the East Line and 820'
from the South Line, Section 35-24N-4E
Rio Arriba County, New Mexico

Dear Sir:

I am writing in regard to your Notice of Intention to Drill for the above subject well. Rule 104, Section B of the New Mexico Oil Conservation Commission Rules and Regulations reads as follows:

"Any well classified as a wildcat shall be located on a tract of not less than 40 surface contiguous acres substantially in the form of a square which is a quarter quarter section or lot, being a legal subdivision of the U.S. Public Land Survey and shall be within 100 feet of the center of the 40-acre subdivision, except in San Juan, Rio Arriba and McKinley Counties, where a wildcat well shall be located on not less than 160 surface contiguous acres substantially in the form of a square which is a quarter section or lot being a legal subdivision of the U.S. Public Land Survey and shall not be located closer than 660 feet to the outer boundaries nor closer than 330 feet to the inner boundaries of the governmental quarter quarter section upon which it is drilled."

Spacing rules in regard to San Juan, McKinley and Rio Arriba Counties specify 160-acre tracts and 660-330 foot spacing because of the fact that 95% of the wells being drilled in these counties are gas wells with minimum units of 160 acres. Although your location is in Rio Arriba County it is outside the known gas producing area and should therefore be considered under the 40-acre wildcat rule. From a study of the geological outcrop map I notice that you are probably starting in the Triassic section and your probable objective is oil or gas in the Pennsylvanian section or below. You should, therefore, do one of the following two things: (1) Change your location to correspond with the above rule for 40-acre spacing (within 100 feet of the center of the 40-acre subdivision) or (2) Write a letter to Mr. R. R. Spurrier, Secretary of the Oil Conservation Commission stating your reasons for asking for the unorthodox location. Only the Secretary of the Commission has authority to grant such exceptions. If he does approve he will notify this office and we will then approve your Notice of Intention to Drill.

Yours very truly,

Emery C. Arnold

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