

P. O. Box 810  
Farmington, New Mexico  
87401

January 12, 1965

CONSERVATION & PRORATION

Mr. E. C. Arnold  
New Mexico Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico

*K 27-26-15*

Dear Sir:

This is to call your attention to the sale of crude oil from our Navajo Tribe "AR" Well No. 1 for the month of December, 1964.

The well had an allowable of 776 barrels for the month of November, 1964 and an allowable of 6014 for December, 1964. There was no oil sold in November because of no transporter. The November oil was sold in December along with the December allowable. The total amount of oil to be sold by the end of December was 6790 barrels. The crude oil purchaser bought and shipped 7138 barrels. This is 348 barrels over what could be sold legally.

We have discussed this with McWood and discovered that they made an error in totaling the amount of crude oil purchased and run for the month.

We have advised McWood Corporation that such production violations cannot be tolerated. They have advised TEXACO Inc. that their accounting methods will be changed to prevent further occurrences of this nature. We have revised our handling of production reports from this lease so that further violations will not occur.

Very truly yours,

*C. P. Farmer*  
C. P. Farmer  
District Superintendent

DLC-LC

Approved: *Ernest C. Arnold*

Date: 1-12-65

P.O. Box 810  
Washington, New Mexico  
87401

January 18, 1964

CONFIDENTIAL & UNCLASSIFIED

1010 N. 1st Street  
Albuquerque, New Mexico  
87102

Dear Sir:

This is to advise you that the amount of \$100.00 was paid to you on November 18, 1963, for the month of November, 1963.

The well used allowance of \$100.00 for November 1963 was not paid to you because of no check. The November 1963 allowance was paid to you along with the December 1963 allowance. The total amount of \$100.00 was paid to you on November 18, 1963. The check for December 1963 was \$100.00. This is \$100.00 over what should be paid to you.

We have discussed this with the person who prepared the check and they have corrected the amount of the check to \$100.00 and the amount of the check is \$100.00.

We have advised the person who prepared the check that they have corrected the amount of the check to \$100.00 and the amount of the check is \$100.00. We have advised the person who prepared the check that they have corrected the amount of the check to \$100.00 and the amount of the check is \$100.00.

Very truly yours,

*[Handwritten Signature]*

Special Agent in Charge

Date: \_\_\_\_\_  
By: \_\_\_\_\_