

# Petro-Atlas, Inc.

A SUBSIDIARY OF ATLAS CORPORATION

2000 NATIONAL BANK OF TULSA BUILDING

TULSA 3, OKLAHOMA

April 19, 1962

State of New Mexico  
Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico

Attention: Mr. Emery C. Arnold

Gentlemen:

Your letter of April 17, 1962, stated that El Paso Natural Gas Company has been indicating on their Form C-114 that the Petro-Atlas #1 Aztec, located in Unit F, Section 8-27N-9W, San Juan County, New Mexico, is operated by The Hidden Splendor Mining Company. This is in error, as Petro-Atlas, Inc. is still the Operator of the subject South Blanco Pictured Cliffs gas well as originally reported on the C-110 filed in August, 1959.

The above mentioned error is probably due to the fact that The Hidden Splendor Mining Company owns all of the working interest in the Aztec #1. Petro-Atlas, Inc., however, is responsible for the operations of this well, along with other wells owned by The Hidden Splendor Mining Company in Northwest New Mexico. As Operator, Petro-Atlas, Inc. is also responsible for filing all reports with governmental agencies for the subject lease.

The above was discussed between the writer and Mr. A. L. Kendrick in a telephone conversation this date. Mr. Kendrick concurred with our interpretation of Rule 1109, with regard to the filing of Form C-110. Our interpretation of this rule is that the individual or company responsible for the operations of the well and, also, responsible for filing of reports is the designated Operator on Form C-110. In the light of this interpretation, we believe that the C-110 filed in August, 1959 still pertains to the Aztec #1.

In the event that additional information or further explanation is required, please do not hesitate to contact me.

Very truly yours,



N. B. GOVE

NBG:jp  
encl.

cc: El Paso Natural Gas Co.  
P.O. Box 1492, El Paso, Texas  
cc: Mr. Elvis Utz  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico