

November 6, 1939

Mr. John Carothers
Rye-Proof, Inc.
P. O. Box 911
DURANGO, COLORADO

Dear Mr. Carothers:

In regard to the unorthodox location of your Beale-Hedberg well in Sect. 22-29N-8W, San Juan County, New Mexico although this well is not presently in a recognized oil or gas pool, since it is being drilled to the Mesaverde formation, it is very possible that a spacing order will be issued by the Oil Commission in the near future providing for uniform spacing for all gas wells drilled to the Mesaverde formation. The usual spacing for Mesaverde wells has been one well to each 320 acres, with the wells located in opposite corners of the section. If such a pattern is established, the basic production or proration unit for such wells will be allocated on the basis of 320 acres or proportional thereof, regardless of the location of the well within the section.

As a matter of anticipating this possibility, I believe it would be wise if your well could be moved as close as possible to the center of the quarter-section in which it is located, or as near to a 990 location within the quarter-section as is convenient or possible. I believe it would be extremely unwise to try to base the location of this well in a 40-acre drilling unit at this time, even though this is legally possible. A 160-acre location would probably avoid future difficulty to all parties concerned. On the other hand, I am familiar with the general topography of the area in which this well is to be drilled and realize that the steep canyons pose location problems that are not always in harmony with the legal spacing requirements. If possible, I would like to call at your office later this week (about Thursday or Friday) so that we can discuss this matter in more detail, or if you have a rig standing by

There is a great deal of work to be done in the future and we
must not let it slip through our fingers. We must be prepared to
meet the challenges of the future with a new spirit of determination.

The work of the future is not only a matter of the mind but also of the
body. We must be physically fit to meet the demands of the future.
We must have the strength and endurance to face the challenges of the
future with a new spirit of determination.

Yours truly,

John F. Kennedy
President of the United States

100

100
100
100