



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 23, 1972

Mr. Stephen H. Kinney
207 North Orchard Ave.
Farmington, New Mexico

Dear Mr. Kinney:

I have our copies of your Federal applications for permit to drill for the number 6 and 7 Red Rimpert wells in Section 30, Township 29 North, Range 16 West, San Juan County. By attached letter you have requested my approval of the two non-standard locations.

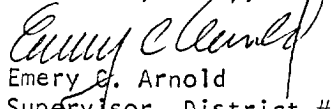
Our regulations do not authorize me to approve non-standard location of oil or gas wells. Under certain conditions, the Secretary-Director of the Commission may approve such locations administratively. However, when the location is non-standard because of geological interpretation as you have stated, the locations may be approved only after notice and hearing. It has been our policy to approve drilling of such locations subject to approval of the non-standard location prior to production of the well. Therefore, the wells would be drilled at your risk, subject to findings of the Commission at hearing.

You have not indicated ownership of acreage in the drilling tracts offsetting your locations. If you own the offset tracts and if all interests are common the in those tracts with your proposed units, the risk should be minimal.

As the number 6 well is within 70 feet of a forty acre line and the number 7 well within 15 feet from a forty acre line, I suggest that you conduct deviation surveys at close intervals so that the location of the bore hole at total depth may be accurately fixed. In the event total deviation is greater than the distance from the nearest forty acre line, it will be necessary to run a directional survey to determine the bottom hole location.

If you have questions concerning any of the above information, please contact me.

Yours very truly,


Emery G. Arnold
Supervisor, District #3

ECA:mc

cc: Oil Conservation Commission
Santa Fe, New Mexico

U. S. G. S.
Farmington, New Mexico