



well file

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

June 17, 1983

TONEY ANAYA
GOVERNOR

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Damon L. Weems
Weems, Birdsaal and Associates
2901 East 20th Street
Farmington, New Mexico 87401

Re: Bob Blanche Well No. 1,
Sec. 12, T-29-N, R-15-W,
NMPM, San Juan County,
New Mexico

Dear Mr. Weems:

This letter is a request for information from you relating to the above-referenced well. The files of the Oil Conservation Division show receipt of a compulsory pooling application from you received by our Aztec district office on August 25, 1981. A further check of our files indicates that the case brought under that application for compulsory pooling was eventually terminated by the entry of a dismissal order by the Oil Conservation Division.

Subsequent to that date, we received from you a copy of Oil Conservation Division Form C-102, dated July 21, 1982, indicating that "all tracks are leased by S & I Oil Company". However, we are still receiving from S & I Oil Company statements indicating that proceeds from this well are being placed in an escrow account. The cover letter from S & I Oil Company to Frank Chavez, our District Supervisor in Aztec, indicates that the funds are being deposited "for the unleased acres on the wells indicated".

I would appreciate receiving from you, at your earliest convenience, some clarification indicating whether or not the acreage dedicated to this well has all been leased and, if so, why the funds are being escrowed by S & I Oil, and if all of that acreage has not been leased, how they have been consolidated to form the necessary proration unit.

Thank you for your attention to this matter.

Sincerely,

W. PERRY PEARCE
General Counsel

WPP/dr

cc: Mr. Frank Chavez