

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT
WEST TEXAS DIVISION
E. P. MUNSON, JR., DIVISION LANDMAN

P. O. BOX 1720
FORT WORTH 1, TEXAS

January 3, 1958

124064 - Navajo Tribal Lands Lease
San Juan County, New Mexico

New Mexico Conservation Commission
Aztec, New Mexico

Attention: Mr. Emery C. Arnold

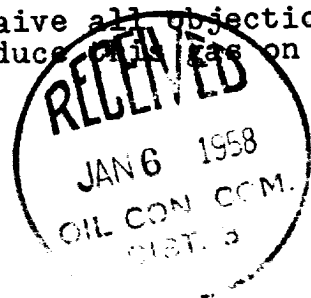
Gentlemen:

Reference is made to our telegram of January 2, 1958, concerning the King 1-A Navajo well located in Section 24, Township 30-N, Range 17-W, San Juan County, New Mexico. On September 18, 1957, we designated Mr. Bernard King, 601 Patterson Building, Denver, Colorado, as our operator of the following described land:

N/2 SW/4 and N/2 NW/4 of Section 1; S/2 SE/4 and S/2 NE/4 of Section 2, Township 30-N, Range 17-W, and S/2 SE/4 and S/2 NE/4 of Section 35, Township 31-N, Range 17-W, San Juan County, New Mexico.

Under the terms of our agreement with Mr. King, he was to earn certain interests in our lease by drilling a well and obtaining production on this acreage. At the time the well was commenced, it was felt by all parties concerned that if production was obtained, it would be oil production. However, the No. 1-A well drilled by Mr. King resulted in gas production. Mr. King located the well as an oil well and has only 80 acres of land rather than the 160 acres required for a gas well. Our lease (Contract 1-149-Ind-7653) covers Navajo Tribal Lands and is on the Tribal Indian Lands form which does not contain a shut-in gas provision. It is, therefore, imperative that we produce this well if we are to save our lease. It would, therefore, be very greatly appreciated if you would allow this well to be produced pending the hearing on spacing which is to be held in late January or early February.

As indicated in our telegram, we waive all objections to the Commission's allowing Mr. King to produce this gas on 80-acre spacing.



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I thank you in advance for any assistance to us which
you may be in this matter.

Yours very truly,

E. P. Munson, Jr.
Division Landman

By J. H. Eubank
J. H. Eubank

JHE/cb

