

Consolidated Oil & Gas, Inc.

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Executive Offices

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December 29, 1961

State of New Mexico
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: A. L. Porter, Jr.
Secretary

Gentlemen:

Reference is made to Case No. 2380, Order No. R-2067, rendered by the Oil Conservation Commission of the State of New Mexico on September 22, 1961.

In this Case, the application of Consolidated Oil & Gas, Inc., for the formation of a 320-acre non-standard gas proration unit in the Basin-Dakota and the Blanco-Mesaverde Pools, San Juan County, New Mexico, was approved. The non-standard gas proration unit consists of the NE/4 of Section 9 and the NW/4 of Section 10, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico.

Finding No. (6), contained in the aforementioned Order, states as follows:

"(6) That establishment of the above-described non-standard gas proration unit will not impair correlative rights inasmuch as a companion non-standard gas proration unit comprising the SE/4 of Section 9, and the SW/4 of Section 10 could be formed upon the communitization of said acreage."

December 29, 1961

Consolidated has now completed negotiations for the acquisition of the entire leasehold estate comprising said SE/4 of Section 9 and SW/4 of Section 10 and is desirous of communitizing said acreage into a 320-acre non-standard gas proration unit as referred to in the above-quoted Finding No. (6). It is our desire to commence drilling operations immediately.


A map is enclosed showing the location of the proposed non-standard gas proration unit as well as the other units operated by Consolidated in the immediate area. The proposed well has been designated the Segal No. 1-10 and will be completed as a dual producer from the Mesaverde and Dakota Formations.

Since the formation of the second non-standard unit was considered as a part of Case No. 2380, it has occurred to us that perhaps approval of this second non-standard gas proration unit could be obtained from the Commission as a matter of course without the necessity of a separate formal application and hearing. Therefore, we should like to respectfully request that, if possible, approval be given to the formation of such second non-standard gas proration unit based on the findings in the preceding Case No. 2380 referred to above.

We are awaiting your further instructions.

Yours very truly,

CONSOLIDATED OIL & GAS, INC.


C. J. Cooper, Jr., Secretary

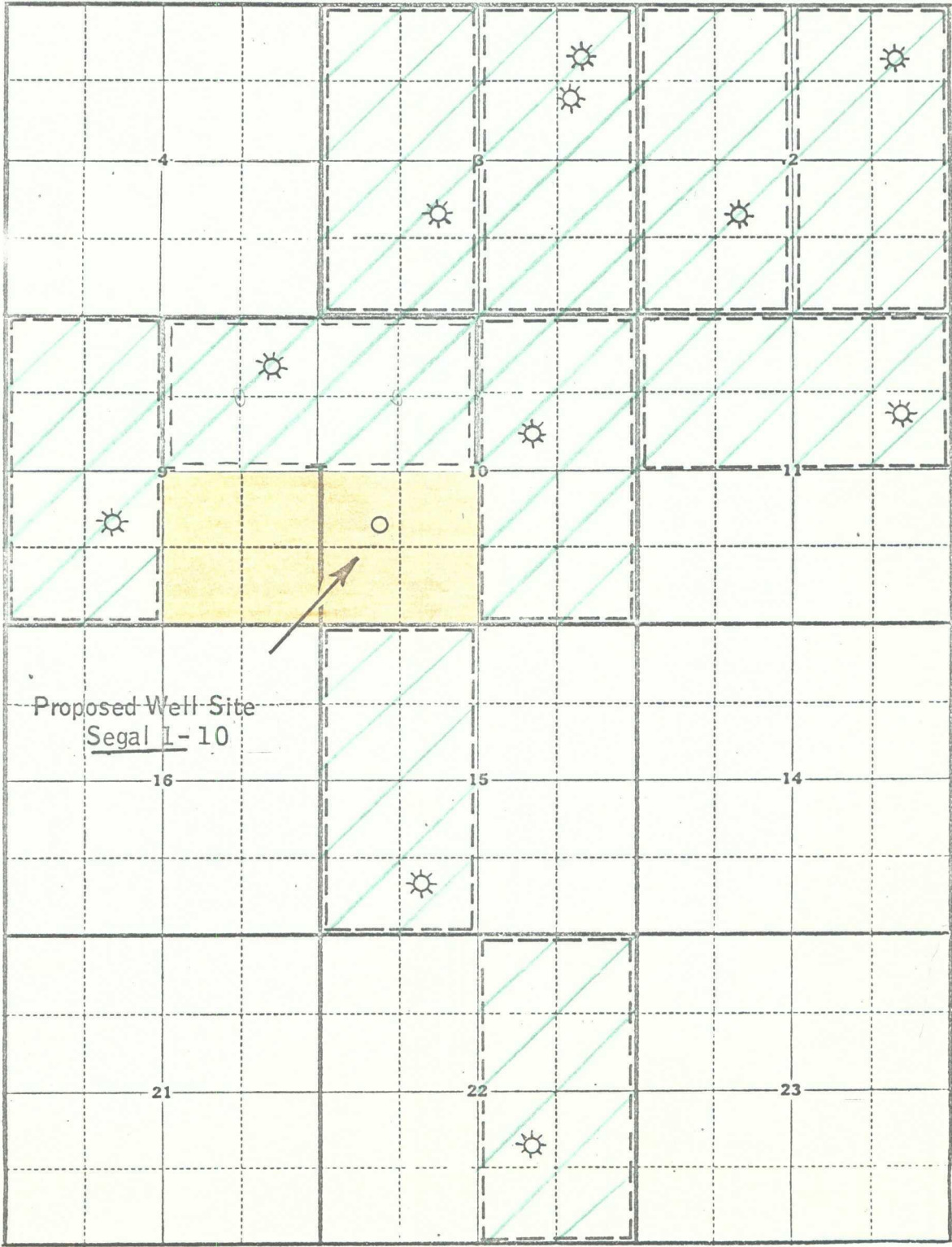
C/c
Enc.

cc: Mr. Emery Arnold
Aztec, New Mexico

EXHIBIT A

Township 31 NORTH, Range 13 WEST,

County SAN JUAN, State NEW MEXICO



LEGEND

- Proposed unit
- Acreage under lease to or operated by Consolidated Oil & Gas, Inc.
- 320-acre units operated by Consolidated Oil & Gas, Inc.