NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

COPY

April 20, 1938

Mr. E. F. Edgerton
Mosquero, New Mexico

Re: $5,000.00 drilling bond, with A. S. Waddell as principal, and American Employers Insurance Co. of Boston, surety, for one well upon center of NW of Sec. 19-20N-31E.

Dear Sir:

The above captioned drilling bond, submitted in your letter of April 13, appears to conform to the requirements of the Commission and is this day being filed and card-indexed.

You will note that the spacing for said well is contrary to existing rules for carbon dioxide wells, but inasmuch as the location was approved August 3, 1936, by the then field representative, and prior to the adoption of Circular No. 4, rules and regulations for carbon dioxide wells in the State of New Mexico, the question of spacing, insofar as passing upon the drilling bond is concerned, is not raised, but for any future wells, your client and any other person should be warned to observe the spacing rule for carbon dioxide wells, which is as follows:

"The production unit for the Carbon Dioxide fields is hereby established as a 40-acre tract or lot as determined by U. S. Government surveys, and no wells shall be drilled in excess of one to each such tract and no location shall be made closer than 330 feet from any two of the boundary lines of such subdivisions."

Very truly yours,
OIL CONSERVATION COMMISSION

By _____
Carl R. Livingston
Attorney

CRL:m

COPY

April 20, 1955

Mr. R. E. Robertson
Los Lunas, New Mexico

Re: $5,000.00 drilling bond, with
R. E. Robertson as principal,
and Maryland Employers Insur-
ance Co. of Baltimore, surety, for
one well upon center of N[illegible] of
Sec. 19-[illegible]-E.

Dear Sir:

The above described drilling bond, submitted in your letter of April 18, appears to conform to the requirements of the Commission and is this day being filed and duly-indexed.

You will note that the spacing for this well is governed by Commission rules for carbon dioxide wells, but inasmuch as the location was approved March 5, 1955, by the then field representative, and prior to the adoption of Commission Rules, and regulations for carbon dioxide wells in the State of New Mexico, the question of spacing, insofar as resting upon the drilling bond is concerned, is not raised, but for any future wells, your client and any other person should be careful to observe the spacing rule for carbon dioxide wells, which is as follows.

"The proration unit for the carbon dioxide field is hereby established as 640-acre tracts or lot as governed by U. S. Government surveys, and no wells shall be drilled in excess of one to such unit nor no location of it be made closer than 990 feet from any two of the boundary lines of such subdivisions."

Very truly yours,

OIL CONSERVATION COMMISSION

By _____
Earl E. Livingston
Attorney

sentence of the last paragraph that weights are the only fair way to buy anything, and any compressor is a more accurate measurer of gas than any meter. Under no consideration will the Oil Conservation Commission accept the weight of the manufactured product, converted theoretically into the amount necessary to make the ice, as a basis for royalty payment to the land owner.

In your first paragraph on page 2, you quote me as saying: "The land owner has not been paid any royalty." The land owner came to Santa Fe himself and asked the Oil Conservation Commission to investigate and find out why he had not been paid any royalty as the plant had been using as since June 1937. Also in the same paragraph you say that the plant is not completed and has not been operating regularly, therefore, in writing the article on Carbon Dioxide Gas in New Mexico we were not misrepresenting when we said that the results had not been satisfactory. As I told you in my other letter, we were not trying to misrepresent when we said that the results had not been satisfactory for it is very obvious that from June 1937 to January 1, 1938 we had never received any monthly report of operations stating the amount of dry ice manufactured. Not having received any statements our only conclusion was that the plant which was supposed to be in operating during this time had not produced any dry ice in commercial amounts. I have seen some of the ice manufactured by your plant and was informed that the output was negligible.

Will you please understand that this statement to which you take exception was not made for any "personal grudge or reasons", but merely as a statement of facts, and it was not the intention of the authors of the article to give you any publicity favorable or otherwise.

It will not be necessary for you to make a trip to Santa Fe to find out if you are violating any rules, because you are violating one rule when you have not rendered the required monthly statement of operations. The Oil Conservation Commission will not permit you to manufacture any "dry ice" until the drilling bond is posted, proper connections and meter on the well installed. This, however, is not your duty, but the duty of the person, or company, who drills the well.

I do not understand how the notice, as you say, was printed in the Roy Record three hours before the well was posted. Mr. Karl Gutman told me last Tuesday that word was brought to him from Bueyeros after I had posted this well and he did not know it until sometime afterwards, so your statement regarding the notice being in the Roy Record three hours before the notice was posted on the well is obviously wrong.

COPY