



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

March 14, 1988

Mr. Paul Brown
6228 Baker Avenue N.E.
Albuquerque, NM 87109

Re: Property Damage at Loddy #1 F-20-25N-2W

Dear Mr. Brown:

I apologize for the misunderstanding of which well you were referring to in your February letter.

I have enclosed a copy of the permit to drill which we approved out of this office. We did not name McHugh as operator but he declared that he had pooled the acreage as shown on the included form C-102.

A copy of our Rules and Regulations costs \$4.00, however, you may be disappointed if you buy them. As I stated previously, we only regulate those activities associated with oil and gas correlative rights and the waste of oil and gas. The relationship between the operator and property owner is covered by the lease and civil law.

I have sent a copy of this letter and your complaint to Sun Exploration and Production Co. who has purchased the McHugh interests.

Sincerely,

Frank T. Chavez
District Supervisor

FTC/dj
Enclosure

xc: Well File
Sun Exploration & Prod. Co.

Paul Brown
6228 Baker Avenue North East
Albuquerque, New Mexico 87109
(505) 884-6589 or 774-6565

Mr. Escobedo
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2009-7-1

March 3, 1988

RECEIVED
MAR 09 1988
OIL CON. DIV.
DIST. 3

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
Aztec Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Attention: Mr. Frank T. Chavez
District Supervisor

Oil Commission Drilling
Permits or Production Unit
Order pertaining to Township
25 North, Range 2 West, NMPM
Section 20; SE/4 NW/4

Gentlemen:

Thank you for your February 10, 1988 letter response to mine of January 31, 1988. I appreciate your having sent me the documents enclosed with your letter. Regretfully, however, the documents refer to the well immediately north of the property captioned the operator of which has lawfully entered into both a mineral lease and a surface damages agreement.

The oil well located upon the caption property was drilled by Jerome P. McHugh & Associates or its operating affiliate, Nassau Resources, Inc. I am an owner of this property as well as an owner of property immediately north of the well site and maintain a stock fence and a private road in that section.

I want to know whether the Oil Commission has granted any drilling permit to McHugh to drill upon the above captioned property. In the event that the Oil Commission has so granted any permit, I need a copy thereof. I need to know the terms and conditions of such permits, if they exist.

In the event that the operator of the well located on the above captioned property has been designated by the Oil Commission as the operator of a unit including this property, I need a copy of the order so designating the operator together with any rules and regulations applicable to the operation or limiting the operator.

As explained in my earlier letter, I bring this matter to your attention, because the firm that drilled the well on the above identified property failed to obtain permission of the owners of the surface-rights to enter on the property before beginning drilling operations. Further, to gain access: this firm has been using my private road located completely off the leasehold, cut my stock fences, turned my stock out, opened my land to hunters without permission to hunt there, allowed others to cut wood and Christmas trees, take fence posts, and generally damaged the surface-rights without need or lawful right to do so. None of this damage nor any of the continuing damage could occur but for the issuance of drilling permits by the Oil Commission devoid of protection to surface-right owners. My attempts to get restitution from the firm that obtained the drilling permit have been unavailing. In fact, it has been represented to me that the authorities have been bought-off and will not therefore assist. I do not believe these assertions but thus far, it does not appear that the Oil Commission Regulations include even minimum provisions to protect and conserve the rights and natural resources of the surface right owners. I will, however, wait until after I see the requested documents.

Your prompt response to my requests is necessary because of the continuing nature of this egregious violation.

Very truly yours,

A handwritten signature in cursive script that reads "Paul Brown". The signature is written in dark ink and is positioned below the typed name.

Paul Brown