OIL CONSERVATION COMMISSION
AZTEC, NEW MEXICO

October 8, 1956

G. H. Vaughn Production Co. 1120 Merchatile Securities Building Dallas, Texas

> Re: G.H. Vaughn Production Co. #1 Chama Land & Cattle Co.

Att: Mr. Barle S. Louges

#### Gentlemen:

By this letter we are granting exception to Rule 104 as regards the footage location of the above well. It is understood that the reason for the exception is the fact that the Tierra Amarilla land grant is an unsurveyed area and that it would therefore be very difficult and costly to locate your well with respect to Section lines.

If you should discover oil production then it would be necessary that the Oil Conservation Commission require a survey of the area so that a proper spacing program could be worked out.

Yours very truly

Emery C. Arnold Supervisor, District #3

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cc: A.L. Porter OCC, Santa Fe, N.M.

#### NEW NEXICO

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VETTE, NEW MEXICO

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Section Section

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#### G. H. VAUGHN

## Dallas 1, Texas

September 27, 1956

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Ir. A. L. Porter, Jr.
Secretary - Director
(11 Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Chema Land & Cattle Company's
Rio Arriba County,

New Mexico

Dear Mr. Porter:

This replies to your letter of September 24, 1956. We are returning the One-Well Bond with our apologies for not having placed our corporate seal in the correct place on the Bond when it was first submitted to you.

In the matter of describing the exact to acre tract on which we propose to drill the well, we have a problem which we hope you will help us solve. Perhaps a word of explanation on the operation will be helpful.

Chama Land & Cattle Company is a 32.000 acre ranch lieing East and South of the town of Chama. Rio Arriba County. Chama Land & Cattle Company is owned by G. H. Venghm and Jack C. Vaughn. G. H. Vaughn Froduction Company is a privately owned corporation with the two principal stockholders being G. H. Waughn and Jack C. Vaughn. G. H. Vaughn Production Company wishes to drill a Mildeat cable tool hole to approximately 2500 on Chama Land & Cattle Company acreage and have secured a lease on the land for that purpose.

As you are probably aware, this land has not been laid out in Themships, Ranges and Sections to the best of our knowledge, but is actually a part of the old Tierra instills land grant and is situated in severely rugged country. We have been unable to locate any bench marks or reference marks in the ranch from which a lessurvey of the well location sould be made. To run a limit one point near the town of Change into the well location would probably cost more than it will cost to drill the well.

Therefore, we have made our proposed well lametion from the corner which is not a lease line of a line fence but actually

#### G.H. VAUGHN

## 1120 MERCANTILE SECURITIES SUILDING Dallas I, Texas

September 27, 1956

RE. C. R. Vaugha Production Congression Chams Land & Cattle Company #1 Ric Arribe County, New Mexico

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our er which is not a lease line or a line fence but adduction



drift fence for cattle in the Mest central part of the ranch. The attached aerial photo will show you the well location from this particular fence corner, which you will note is approximately 2 1/2 miles air line distance Southeasterly from the town of Chama. To give you a better look at the land in question, I am enclosing a photostat of a small scale map showing that the land has not been laid out in sections.

Inasmuch as the well location is on a 32,000 acre lease and is situated at least two miles from the nearest lease line, there is no question of possible damage to nearby lease owners.

Therefore, we respectfully request that you make an exception in this rather unusual case to your requirement of a certified surveyors plat giving exact description by governmental subdivisions, and allow us to drill the well with the attached information to substantiate our claim of location. If you have any suggestions on how we might better identify the location at a reasonable expense, we will very much appreciate them because we naturally would like to have this information for our own files. At the moment it does appear that our best identification is the aerial photograph which is attached.

I am also enclosing copies of form C-101 to set out the information in connection with our plans for drilling this 2500° cable tool hole. If you see fit, please return an approved copy of Notice of Intention to Drill to me at your earliest convenience.

Thank you very much.

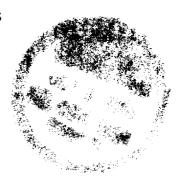
Yours very truly,

G. H. VAUGHW PRODUCTION COMPANY

Byt

Earle S. Lougee General Superintendent

ESL/hb atts. cc: Cecil B. Miller



GOVERNOR JOHN F. SIMMS CHAIRMAN

# New Mexico OIL CONSERVATION COMMISSION

LAND COMMISSIONER E. S. WALKER MEMBER



STATE GEOLOGIST A. L. PORTER, JR. SECRETARY-DIRECTOR

October 1, 1956

Mr. Emery Arnold Oil Conservation Commission 120 East Chaco Aztec, New Mexico

Dear Emery:

As per our conversation this date, I am forwarding herewith the Vaughn Production Company's letter of explanation along with Form C-101. If you will forward to the necessary parties a letter granting them permission under Rule 1303 to deviate from the rule concerning required information within Form 101, they will be able to expedite their proposed operations.

John W. Gurley

Attorney

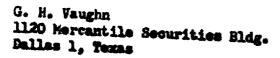
JWG:brp Encls.



## OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE, NEW MEXICO

October 1, 1956



Ro: G. H. Vaughn Production Co., Inc., \$5,000 one-well bond, Chama Land & Cattle Go. #1 Well, 270' E. & 30' S. of drift fence corner, approx. 22 miles Southeasterly of town of Chama, Ric Arriba Go., N.N., American Automobile Ems. Co.

Dear Sir:

The Oil Conservation Commission on this date approves the above-captioned \$5,000.00 eme-well plugging bend.

Yery truly yours,

A. L. Perter, Jr. Secretary - Director

brp

OC-American Automobile Insurance Co.

Oil Conservation Commission: Artesia Notes Hobbs



### OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE. NEW MEXICO

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