

**OIL CONSERVATION COMMISSION**  
1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO

February 18, 1965

Shar-Alan Oil Company  
1402 Denver U.S. National Center  
Denver 2, Colorado 80202

Re: Shar-Alan Oil Company #49 Rosa  
Unit, M-27-31N-4W

Gentlemen:

On June 17, 1964 Form C-104 was filed in this office requesting an allowable for the above well, along with Form C-110 naming El Paso Natural Gas Company as transporter of the gas. The form stated that the well was completed in the Mesaverde Formation; however inspection of the electric log and perforating record indicated that the completion was made in both the Point Lookout Zone of the Mesaverde Formation and several sand stringers which had developed in the Gallup Zone. The casing pressure was reported as 2115 pounds which is abnormally high for a Mesaverde completion in this area. At that time I discussed the matter with Mr. Dick Hunt, who was Manager of Lands and Exploration for your company and explained to him that it would be necessary to hold a hearing to establish the producing zone in this well as a common source of supply or in the alternative to dually complete the well. Mr. Hunt assured me that action would be taken to accomplish this; however no further action has been reported.

There has evidently also been some discussion between your company and El Paso Natural Gas Company regarding the possible participation of this well in the Rosa Unit.

We do not think that the well as presently completed is a legally completed well, in that it appears to be completed in two separate producing zones which have not been recognized as a common source of supply. We also feel that your company has had adequate time to resolve the matter. We are, therefore, notifying our legal department in Santa Fe to set a hearing at which all interested parties will be given opportunity to show why the well should not be properly plugged and abandoned or recompleted in accordance with our rules.



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*We are requesting that our legal department wait 10 days from this date before advertising the case for hearing in order that you may contact us prior to that time with any proposed alternative solutions.*

*Yours very truly*

*Emery C. Arnold  
Supervisor, District #3*

**ECA:hs**

*cc: Mr. James Durrett  
Oil Conservation Commission  
Santa Fe, New Mexico*