



**PROPERTY  
TAX  
DEPARTMENT**

STATE  
OF  
NEW MEXICO

BATAAN MEMORIAL BUILDING • SANTA FE, NEW MEXICO • 87503 • PHONE (505) 827-2001

June 6, 1977

C & K Petroleum, Inc.  
#2 Houston Center Suite #2828  
Houston, Texas 77002

*Re: Carlsbad "7" #1  
W/2 Sec. 7, T-22-S, R-27-E*

Re: Case No. 5939 on the Docket of the New Mexico Oil Conservation  
Commission

Gentlemen:

On May 20, 1977, we received Notice from the New Mexico Oil Conservation Commission that the Property Tax Department's name appeared as an interest owner in lands involved in the above-referenced case. The Tax Deed Division of this Department has been unable to determine precisely what interest the State of New Mexico has in the property which is the subject of case #5939, because of the absence of a reference to a tax deed number. I would appreciate it if you could advise as to the precise nature of the State's interest in the lands involved in case #5939. I am also referring a copy of this letter to the Eddy County Assessor and I request that the Assessor review the description shown with respect to case #5939 and advise this Department as to any information they may have with respect to a tax deed or property tax lien on the property.

Section 72-8-5 NMSA 1953 (repealed effective January 1, 1975, but applicable to taxes imposed prior to January 1, 1975), indicates that tax sale vests in the State of New Mexico, its grantees and assigns, subject to the right of redemption, the right to complete title to the property sold subject to certain easements. In the event the State does have a tax deed on the property involved in case #5939, the State would consider itself owner of all mineral rights and no extraction of minerals would be permitted absent agreement with the State of New Mexico.

Yours very truly,

*John C. Cook*

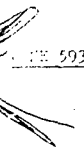
John C. Cook  
Property Tax Department  
Assistant Attorney General  
Bataan Memorial Building  
Santa Fe, New Mexico 87503

JCC/es

cc: Gailen H. Hooper, Deputy Director

Lydia Fresquez, Manager  
Tax Deed Division

Juanita S. Grubey  
Eddy County Assessor  
Eddy County Courthouse  
Carlsbad, New Mexico 88220

- CASE 5932: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico, to be dedicated to it's Moore "FQ" Well No. 1 located in Unit F of said Section 19. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5933: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 15, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to it's Hunter "FL" Well No. 1 located in Unit F of said Section 15. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5934: Application of HMC Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its El Paso Federal 29 Well No. 1 to be located 2427 feet from the North line and 934 feet from the West line of Section 29, Township 24 South, Range 27 East, Eddy County, New Mexico, the W/2 of said Section 29 to be dedicated to the well.
- CASE 5935: Application of Union Texas Petroleum for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the E/2 W/2 and W/2 E/2 of Section 7, Township 20 South, Range 37 East, Humont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's Britt Well Nos. 3 and 12 located at unorthodox locations in Units G and C of said Section 7, respectively.
- CASE 5936: Application of El Paso Natural Gas Company for a dual completion and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its San Juan 27-A Unit Well No. 109 to be located at an unorthodox location 990 feet from the South line and 1840 feet from the East line of Section 23, Township 27 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Tapacito-Pictured Cliffs and Blanco-Mesavere Pools.
- ✓ CASE 5937: Application of Sun Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Lusk-Morrow, East Lusk-Wolfcamp and East Lusk-Pine Springs production in the wellbore of its Chearn Federal Well No. 1, located in Unit L of Section 19, Township 19 South, Range 32 East, Lea County, New Mexico.
- ✓ CASE 5938: Application of VFP Petroleum, Inc., for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Landreth State Well No. 1 to be drilled 330 feet from the South line and 1100 feet from the West line of Section 15, Township 10 South, Range 36 East, South Crossroads-Devonian Pool, Lea County, New Mexico, the S/2 NW/4 of said Section 15 to be dedicated to the well.
-  CASE 5939: Application of COK Petroleum, Inc., for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 7, Township 22 South, Range 27 East, South Carlshed Field, Eddy County, New Mexico, to be dedicated to it's Carlshed Well No. 7 to be located at an unorthodox location 720 feet from the South line and 690 feet from the West line of said Section 7. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- ✓ CASE 5940: Application of COK Petroleum, Inc., for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 6, Township 17 South, Range 32 East, Lea County, New Mexico, to be dedicated to it's Federal Well No. 6 to be located at an unorthodox location 690 feet from the South line and 2012 feet from the West line of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

N O T I C E

Your name appears as an interest owner in lands involved in Case No. 5939 as shown on the attached page from the New Mexico Oil Conservation Commission's Docket for Wednesday, May 25.

Hearing on this application will be at 9:00 A. M. Wednesday, May 25, 1977, at the Commission's hearing room, second floor, New Mexico State Land Office Building.