

STATE BUREAU OF MINES & MINERAL RESOURCES

Box 87I

Santa Fe, New Mexico

JOHN M. KELLY
DIRECTOR

June 8, 1946

Honorable Glenn Staley
Hobbs, New Mexico

Dear Glenn:

Re: Case No. 72, Order No. 647
Case No. 73, Order No. 648
Case No. 74, Order No. 649
Case No. 75, Order No. 650
Case No. 75, Order No. 651
Case No. 76, Order No. 655
Case No. 77, Order No. 656

Please find enclosed copies of the above-captioned orders.

Order No. 649, Case No. 74 has only the effect of adopting the revised C-115 form. The rest of the Order is word for word as the same section it amends, except for the fact that the revised Form C-115 is adopted. In order to adopt the revised C-115 form it was necessary to amend Section 2 of Order No. 447. The amendment simply repeats the particular section, making the one change of adopting the revised Form C-115 referred to.

Very truly yours,

Chief Clerk and Legal Adviser

CHL:mem
Encls

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STATE BUREAU OF MINES & MINERAL RESOURCES

Box 871

Santa Fe, New Mexico

JOHN M. KELLY
DIRECTOR

June 8, 1946

Mr. Dudley Cornell
Attorney at Law
Albuquerque, New Mexico

Dear Mr. Cornell:

Re: Case 72, Order No. 647.

Please find enclosed a copy of the above-captioned order.

Very truly yours,

Chief Clerk and Legal Adviser

CBL:mem
Encl

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STATE BUREAU OF MINES & MINERAL RESOURCES

Box 871

Santa Fe, New Mexico

JOHN M. KELLY
DIRECTOR

June 8, 1946

Mr. George F. Brewington
Attorney at Law
Aztec, New Mexico

Dear Mr. Brewington:

Re: Case 72, Order No. 647

Please find enclosed a copy of the above-captioned order.

Very truly yours,

Chief Clerk and Legal Adviser

CRL:mem
Encl

COPY

STATE BUREAU OF MINES & MINERAL RESOURCES

Box 871

Santa Fe, New Mexico

JOHN M. KELLY
DIRECTOR

May 27, 1946

Mr. Willard J. Allen
Rogers and Allen
Attorneys-at-Law
Las Animas, Colorado

Dear Mr. Allen:

Re: Case 72 - Petition of George Brewington, et al for
rescinding of Order 541, Fulcher Basin Pool.

In reply to your letter of May 25, this Commission rescinded Order 541, 160-acre spacing for the Fulcher Basin Pool, at its hearing on May 8, however, the formal Order has not as yet been executed by the Commission. The Southern Union Production Company has, however, filed a petition for a hearing for an Order embracing some plan for spacing on a 160-acre basis. As to what plan that may be, the Commission is not yet advised. The petition will be set down for a hearing, perhaps in July, if there are any other matters to be heard at that time.

Very truly yours,

Chief Clerk and Legal Adviser

CBL:mem

COPY

BYRON G. ROGERS

WILLARD J. ALLEN

ROGERS AND ALLEN
ATTORNEYS AT LAW
LAS ANIMAS, COLORADO

May 25, 1946

Mr. R. R. Spurrier
Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

I shall appreciate it very much if you will inform me as to the decision rendered by the Commission relative to the application of George F. Bruington, et al, for an Order to rescind Order 541 limiting and fixing spacing of gas wells in the Fulcher Basin Field in San Juan County.

The reason I make inquiry is because my Mother is the owner of the NW $\frac{1}{4}$ of 1-~~22-12~~, a part of which is situate in the Fulcher Basin.

Thank you for any courtesy you may extend in the above regard.

Very truly yours,


Willard J. Allen

WJA:

MANUEL A. SANCHEZ
ATTORNEY AT LAW
SALMON BUILDING
SANTA FE, NEW MEXICO

May 6, 1946.

Mr. Carl A. Livingston, Attorney,
Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Mr. Livingston:

I enclose herewith for filing Motion for Continuance in
Case No. 40, Order No. 541, of the Oil Conservation Commission.

I will be on hand on the morning of the 8th to press this
motion. However, I thought I would mail you this motion, as the
Commission may want to know of the matter prior to the time of the
hearing.

Yours very truly,

Manuel A. Sanchez

MAS/JF
Enc.

STATE BUREAU OF MINES & MINERAL RESOURCES

Box 871

Santa Fe, New Mexico

JOHN M. KELLY
DIRECTOR

April 23, 1946

The Aztec Independent Review
Aztec, New Mexico

Gentlemen:

Re: Notice of Publication - Case 72.

Under date of April 22, 1946 you were furnished a notice of the above captioned case for publication.

There is enclosed a notice of the said Case 72, to be substituted in lieu of the one furnished you in the above-mentioned letter, the only change being that the date of the hearing is May 8, 1946 rather than May 9. It will be appreciated if you will make this change before the notice is published, following the instructions given in the letter of this Commission to you under date of April 22.

Very truly yours,

Chief Clerk and Legal Adviser

Encl
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NEW MEXICO
OIL CONSERVATION COMMISSION

GOVERNOR JOHN J. DEMPSEY
CHAIRMAN
LAND COMMISSIONER JOHN E. MILES
MEMBER
STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



Santa Fe, New Mexico

April 17, 1946

Mr. George F. Brewington
Mr. Al Greer
Mr. John A. Pierce
Mr. C. M. Carroll
Mr. Robert L. Maddox
Mr. L. G. Stearns

Aztec, New Mexico

Gentlemen:

Re: Case 72. Application for an order to rescind Order
No. 541

The above-captioned case has been set for hearing at Santa Fe,
New Mexico on May 10, 1946 at 10:00 A. M.
5th

Will each of you please acknowledge receipt of this notice?

Very truly yours,

Carl B. Livingston

Chief Clerk and Legal Adviser

mem

Aztec N.M.

Receipt of notice of above hearing acknowledged
this 24th day of April, 1946.

Geo. F. Bruington
Geo. F. Bruington

STATE BUREAU OF MINES & MINERAL RESOURCES

Box 871

Santa Fe, New Mexico

JOHN M. KELLY
DIRECTOR

April 23, 1946

Mr. George F. Brewington
Mr. Al Greer
Mr. John A. Pierce
Mr. C. H. Carroll
Mr. Robert L. Maddox
Mr. L. G. Stearns

Aztec, New Mexico

Gentlemen:

Re: Case 72. Application for an order
to rescind Order No. 541

Please disregard the letter of this Commission of April 17, 1946 in which you were advised that the above-captioned case had been set for hearing at Santa Fe on May 9, 1946 at 10:00 A. M.

You are informed that the above-captioned case has now been set for hearing at Santa Fe on May 8, 1946 at 10:00 A. M.

Please acknowledge receipt of this notice.

Very truly yours,

Chief Clerk and Legal Adviser

mm

Al: Will you please go to the office of the Aztec Independent Review, and advise that office that the only change in the notice which was mailed it is the changing of the date from May 9 to May 8? Thanks.

STATE BUREAU OF MINES & MINERAL RESOURCES

Box 871

Santa Fe, New Mexico

JOHN M. KELLY
DIRECTOR

April 23, 1946

Mr. George F. Brewington
Mr. Al Greer
Mr. John A. Pierce
Mr. C. M. Carroll
Mr. Robert L. Maddox
Mr. L. G. Stearns

Astec, New Mexico

Gentlemen:

Re: Case 72. Application for an order
to rescind Order No. 541

Please disregard the letter of this Commission of April 17, 1946 in which you were advised that the above-captioned case had been set for hearing at Santa Fe on May 9, 1946 at 10:00 A. M.

You are informed that the above-captioned case has now been set for hearing at Santa Fe on May 8, 1946 at 10:00 A. M.

Please acknowledge receipt of this notice.

Very truly yours,

Carl B. Livingston

Chief Clerk and Legal Adviser

MEM

Al: Will you please go to the office of the Aztec Independent Review, and advise that office that the only change in the notice which was mailed it is the changing of the date from May 9 to May 8? Thanks.

Carl

Aztec, April 25 46

Notice received today and Aztec Independent Review office notified by Greer.

1000 72

THE CITIZENS BANK OF AZTEC

Aztec, New Mexico, April 16, 1946

Yours of 17th received with enclosures as stated.

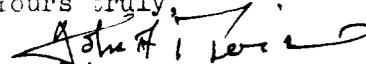
-
- We credit your account:
 - We enter for collection:
-

All items are credited subject to final payment.

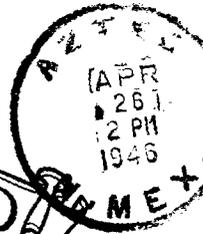
Dear Sir:

Received yours of 17th regarding
rescinding No 541.

Yours truly,


John A. Pierce

THE CITIZENS BANK OF AZTEC
AZTEC, NEW MEXICO



Carl B. Livingston,
Chief Clerk & Legal Adviser.
State Bureau of Mines,
Box 871,
Santa Fe, New Mex.

STATE BUREAU OF MINES & MINERAL RESOURCES

Box 871

Santa Fe, New Mexico

JOHN M. KELLY
DIRECTOR

April 22, 1946

The Astec Independent Review
Astec, New Mexico

Gentlemen:

Re: Notice of Publication - Case 72.

Please publish the enclosed notice once, immediately. Please proof-read the notice carefully and send a copy of the paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND PUBLISHER'S AFFIDAVIT.

For payment please submit statement in duplicate accompanied by voucher executed in duplicate. The vouchers must be signed by a notary in the space provided on the back of the voucher. The necessary blanks are enclosed.

Very truly yours,

Chief Clerk and Legal Adviser

~~mem~~
Encl

A copy of the voucher, mentioned above, will be mailed to you in tomorrow's mail.

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PETROLEUM ADMINISTRATION FOR WAR

WASHINGTON

FEB 27 1948

Mr. Carl B. Livingston,
Chief Clerk & Legal Adviser,
New Mexico Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Mr. Livingston:

Replying to your request of February 15, this is to advise you that PAO-11 has been revoked and this Administration no longer has any regulations governing the spacing of wells.

I trust that this will answer your inquiry satisfactorily.

Yours very truly,



David M. Hudson,
Acting Chief Counsel.



OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

PAW file

February 21, 1946

Mr. Al Greer
Box 337
Astec, New Mexico

Dear Al:

Referring to our conversation of a few days ago, please be advised as follows:

Although PAW is apparently no longer functioning and therefore Section 2 of Order No. 541 (The Fulcher Basin Gas Field 160 acre Spacing Order) can no longer be effective, it seems best that you should petition the Commission for a hearing to rescind Order No. 541. (Carl Livingston can help you do this).

The Commission can promulgate no order without petition for hearing and likewise can not dissolve the same order without hearing; remembering that the order in question is effective for the duration of the war plus six months.

Very truly yours,

RRS:MS

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EXAMINATION COMMISSION
STATE OF NEW MEXICO

February 15, 1946

AIRMAIL

Petroleum Administration for War
Oil and Gas Division
Washington, D. C.

Re: PAO-11
Case 3-NG-1515

Gentlemen:

Please advise if the spacing order limiting one well to 40 acres for oil and one well to a section for gas wells has been revoked.

Specifically as to the Fulcher Basin, San Juan County, New Mexico, in 1943 an exception was granted by your department permitting one gas well to 160 acres. It is therefore desired to know if the restriction of one gas well to 160 acres for that area still is in effect.

This information will be greatly appreciated by this department as soon as possible.

Very truly yours,

Chief Clerk & Legal Adviser

CEL:MS

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OIL CONSERVATION COMMISS
SANTA FE, NEW MEXICO

February 15, 1946

AIRMAIL

Petroleum Administration for War
Natural Gas and Natural Gasoline Division
245 Mellie Esperson Building
Houston, Texas

Re: PAO-11
Case 3-NG-1515

Gentlemen:

Please advise if the spacing order limiting one well to 40 acres for oil and one well to a section for gas wells has been revoked.

Specifically as to the Fulcher Basin, San Juan County, New Mexico, in 1943 an exception was granted by your department permitting one gas well to 160 acres. It is therefore desired to know if the restriction of one gas well to 160 acres for that area still is in effect.

This information will be greatly appreciated by this department as soon as possible.

Very truly yours,

Chief Clerk & Legal Adviser

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Case 40
ORDER NO. 541, EFFECTIVE 6-22-43
THE FULCHER BASIN GAS FIELD 160-ACRE SPACING ORDER

1. That for the purpose of establishing a uniform spacing plan within the Fulcher Basin Gas Field, as hereinafter defined, the spacing for gas wells shall be according to the following plan:

The unit shall consist of 160 acres in an approximate square as defined by the United States Public Land Surveys. One gas well shall be permitted to each of such units, but no well shall be located closer than 330 feet to the exterior boundary of any such unit.

2. Provided: where such unit consists of tracts of diverse ownership and the owners are unable to consummate a unitizing agreement, no owner of less than 160 acre unit shall be denied his right to drill and produce, but in such case the well shall be operated and produced in such manner as to prevent injury to neighboring leases or properties. In such case, however, no owner of a tract smaller than the unit shall be granted permission to drill unless he shall first obtain an exception therefor from the Petroleum Administrator.

3. For the purpose of the order herein, the Fulcher Basin Field is defined to consist of the following lands:

Sections 34 and 35, Township 30 North, Range 12 West, N.M.P.M. Sections 1, 2, 3, E $\frac{1}{2}$ 10, 11, 12 and 13, Township 29 North, Range 12 West, N.M.P.M. Sections 7, 17, 18, 19, 20 and 21, Township 29 North, Range 11 West, N.M.P.M.

4. This Order shall become effective on the 22nd day of June, 1943, and shall continue for the duration of the present war and for six months.

L. G. STEARNS
DRILLING CONTRACTOR
AZTEC, NEW MEXICO

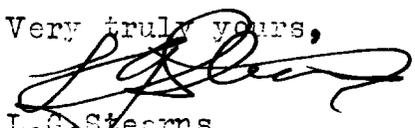
April 27, 1946

Mr. Carl B. Livingston
State Bureau of Mines & Mineral Resources
Box 871
Santa Fe, New Mexico

Dear Mr. Livingston:

This is to acknowledge receipt of your notice
of April 23, 1946 concerning the hearing of Case 72,
which is to be held at Santa Fe on May 8, 1946.

Very truly yours,


L.G. Stearns

LGS:e

Astec, New Mexico, July 15th, 1944.

Petroleum Administrator for War.
Nellie Epperson Building,
Houston, Texas,
Gentlemen;

Re: PAO-11
Case 3-NG-1515.

I have your letter of the 7th inst., in reference to my application for waiver of exceptions as to drilling a well for oil and gas on lands in San Juan County, New Mexico, described as S $\frac{1}{2}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 2, Twp. 29 N. Range 12 W., which suggests that I attempt to obtain contiguous acreage to form a drilling unit of 160 acres.

The regulations of the State Conservation Commission require the acreage to be in an approximate square form as defined by the U.S. Public Land surveys.

I made an attempt, as your records will show, to obtain the other 40 acre tract in this NE $\frac{1}{4}$ Sec. 2, and was unable so to do, and was unable to obtain participation as set forth in regulation #1505.26.

My investigation shows that there are no other 40 acre tracts adjoining the 120 acres held by me that can be obtained, so as to form a square, other tracts adjacent are in Government permits or leases and the 160 acres immediately south has already been developed by drilling.

Apparently most of the adjacent lands are held or controlled by the Southern Union Gas Company, who are doing their own development work, and their holdings are not available.

Mr Dudley Cornell, who as I understand is a government employee and connected with the Oil development effort or regulations, and who has an office in the same building you occupy, and who attempted to obtain the lease on the lands now covered by my lease, appears to hold a Government Permit or Lease, Santa Fe #265557 on near by lands to my lease lands. None of his lands joins directly, but might be called contiguous, as to one forty acre tract, but would not form a square. Whether Mr Cornell, who has been developing acreage held by himself and associated in the Fulcher Basin would be willing to put up his part of the cost of a well to be drilled by me on my 120 acre lease is a question, as is also the difficulties of attempting to consolidate fee title lands with government lands.

I have been disappointed in not being able to get a decision in this matter which has been pending since March last, especially your wire to me of date June 29th which states that matter was inadvertently delayed.

Please make a decision in this matter so that I may proceed one way or the other, respectfully calling your attention to the letter to your office sent by Mr John H. Kelly, Director of the N.M. Oil Conservation Commission of date March 25, 1944.

Yours truly,

cc to
Mr John H. Kelly, Director,
N.M.O.C.C.
Santa Fe, New Mexico.

Al Greer.

PETROLEUM ADMINISTRATION FOR WAR

HOUSTON, TEXAS

July 7, 1944

Subject: PAO-11
Case 3-NG-1515

Mr. Al Greer
Astec, New Mexico

Dear Mr. Greer:

With farther reference to your application to drill a gas well in the Fulcher Basin Field, and in view of the refusal of the owners of the NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 2-29N-12W, it is suggested that you endeavor to consolidate other contiguous acreage, in order to form a drilling unit of 160 acres, and supplement your pending application accordingly.

Yours very truly,

Henry M. Brown
Henry M. Brown
District Director
Natural Gas and Natural Gasoline Division

bcc: Mr. John M. Kelly, Director ✓
New Mexico Oil Conservation Commission
Santa Fe, N.M.

bcc: Mr. L. G. Snow,
U. S. Geological Survey,
Roswell, N. M.

PETROLEUM ADMINISTRATION FOR WAR

HOUSTON 1, TEXAS June 16, 1944

Subject: PAO-11
Case 3-NG-1515

Mr. John M. Kelly, Director,
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

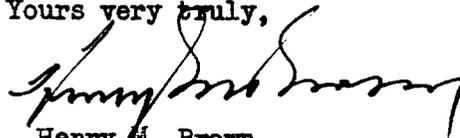
Dear Mr. Kelly:

With further reference to the application of Mr. Al Greer to drill a gas well on a 120-acre tract in the Fulcher Basin Field, we are enclosing a copy of letter received from Mr. Snow of the U.S.G.S. at Roswell, in reply to our letter of June 7, a copy of which has already been forwarded to you.

It is regretted that in the face of objections raised by Mr. Snow this Office does not desire to recommend the requested grant of exception.

We wish to take this opportunity to express our appreciation of the splendid cooperation which your office has given us in the past, and we hope these pleasant relations may continue to prevail.

Yours very truly,



Henry M. Brown
District Director

Natural Gas and Natural Gasoline Division

Encl.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
June 13, 1944

Mr. Henry M. Brown
District Director
Natural Gas and Natural Gasoline Division
Petroleum Administration for War
245 Mellie Esperson Building
Houston, Texas

Re: Case 3-NG-1515 (G-1256)

Dear Mr. Brown:

Receipt is acknowledged of your letter of June 7, 1944 requesting our comments or any recommendations we may wish to make regarding reconsideration of your denial to drill a gas well on the 120-acre tract described as the $S\frac{1}{2}NE\frac{1}{4}$ and $NW\frac{1}{2}NE\frac{1}{4}$, sec. 2, T. 29 N., R. 12 W. Fulcher Basin field, on the basis that inadequate acreage was assignable to the well.

This office considers the establishment of an acceptable uniform drilling pattern for the entire Fulcher Basin gas field, the majority of the acreage of which is owned by the United States, to be essential and we have recommended and concurred in the spacing pattern of one well to 160 acres. All exceptions to date, and we have a record of six in the Fulcher Basin gas field, have been based on one well to 160 acres and where government lands were involved we have required that units of less than 160 acres be consolidated before granting permission to drill. Should exceptions now be granted to drill gas wells on less than 160 acres the whole spacing pattern for the field may be disrupted, and all lessees holding tracts of less than 160 acres may reasonably apply for exceptions on the same basis: that their lands are being drained.

With reference to the particular case your attention is called to the two exceptions granted the Southern Union Production Company to drill in the $NW\frac{1}{2}SE\frac{1}{4}$ and $NW\frac{1}{2}SW\frac{1}{4}$, sec. 2, T. 29 N., R. 12 W. To maintain the spacing pattern established wells, if and when drilled, should be drilled in the $NW\frac{1}{2}NE\frac{1}{4}$ and $NW\frac{1}{2}NW\frac{1}{4}$ of sec. 2. This office required that the two 80-acre tracts in the $SW\frac{1}{4}$ of sec. 2 be consolidated before approving notice of intention to drill, and this was done prior to the request for an exception from your office.

We have also advised the Southern Union Production Company in connection with the proposed drilling of a well in sec. 18, T. 29 N., R. 11 W. that it would be necessary to form a 160-acre drilling unit before drilling would be approved. Two Federal leases were involved and a proposed form of agreement for unitization of the tract was forwarded to the company for consideration.

PETROLEUM ADMINISTRATION FOR WAR

SUITE 245, MELLIE ESPERSON BUILDING

HOUSTON, TEXAS

June 7, 1944

Subject: Case 3-NG-1515 (G-1256)

Mr. L. G. Snow, Supervisor
Oil and Gas Operations
U. S. Geological Survey
P. O. Box 997
Roswell, New Mexico

Dear Mr. Snow:

Under date of April 4 we forwarded you a copy of our denial of the application of Al Greer, Astec, New Mexico, to drill a gas well on the 120-acre tract described as the $S\frac{1}{2}$ $NE\frac{1}{4}$ and NW $NE\frac{1}{4}$ of Section 2-29N-12W, Fulcher Basin Field, on the basis that inadequate acreage was assignable to the well.

However, Mr. Kelly, Director of the New Mexico Oil Conservation Commission, has written a letter in support of the application, stating that the owners of the $NE\frac{1}{4}$ of Section 2 have been offered an opportunity to participate in the production from the quarter-section drilling unit but have refused to join the unit; and that the 120-acre tract in question is being drained by an offset gas well located some 800' south of the lease boundary. Therefore, Mr. Kelly has expressed the willingness of the Commission to grant Greer a permit on the 120-acre tract with the well located 330' S and W of the C of $NE\frac{1}{4}$ of Section 2.

In addition, Mr. Greer has filed documentary evidence to show an offer of participation was made to and refused by Mr. Earl Drageo and Mr. Jim Hutten, owners of the NE $NE\frac{1}{4}$.

On the basis of such documentary evidence, and the Commission's attitude, this Office is disposed to reconsider the Greer application. However, before taking definite action, we shall appreciate receiving any comments or recommendations which you may wish to make.

Yours very truly,

Henry M. Brown
District Director

Natural Gas and Natural Gasoline Division

cc: Mr. John M. Kelly ✓



PETROLEUM ADMINISTRATION FOR WAR
247 Mellie Esperson Building
HOUSTON 1, TEXAS
DISTRICT III

May 8, 1944

Mr. John M. Kelly, Director
New Mexico Oil Conservation Commission
Santa Fe,
New Mexico

Dear Mr. Kelly:

We are writing you to relate the circumstances surrounding our recent denial to Mr. Al Greer, Case No. 3-1256 (3-NG-1515) to drill a gas well on the Beck Lands in Section 2-2N-12W, Fulcher Basin Field, San Juan County, New Mexico. As you know, this application for exception was denied predicated on the fact that only 120 acres was assigned to the well, compared to our previous policy of authorizing gas well drilling, consistent with your regulations, requiring 160 acres to each well.

Through an oversight, we failed to recognize your comments by letter dated March 25th, presuming that if Mr. Greer made further attempts to consolidate appropriate acreage, it would be more consistent to maintain the present policy agreed upon by your office and ours.

We are now advised there are other pending circumstances which warrant reconsideration of this case and we would appreciate your advising Mr. Greer of these facts, suggesting to him that a supplemental application be filed.

We would certainly appreciate any further comments that you may care to make so that this application could be handled in the proper manner.

Sincerely yours



Henry M. Brown
District Director of
Natural Gas and Natural Gasoline Division

cc: Mr. Al Greer
Box 337, Aztec, New Mexico

PETROLEUM ADMINISTRATION FOR WAR

STRAIGHT MESSAGE

WASHINGTON, D. C.
MAY 4, 1944.

JOHN M. KELLY, DIRECTOR
OIL CONSERVATION COMMISSION,
STATE CAPITOL,
SANTA FE, NEW MEXICO.

RE GREER'S APPLICATION DRILL GAS WELL SAN JUAN COUNTY, NEW MEXICO. HAVE
DISCUSSED CASE WITH DUCKER, NATURAL GAS DIVISION. THEY ARE HAVING DISTRICT
OFFICE WRITE YOU FULL PARTICULARS REGARDING DENIAL OF THIS APPLICATION.

J. E. HESTON,
ASSISTANT DIRECTOR OF PRODUCTION.

CONFIRMATION ✓

PETROLEUM ADMINISTRATION FOR WAR

247 MELLIE ESPERSON BUILDING

HOUSTON 1, TEXAS

OFFICIAL BUSINESS



PENALTY FOR

PAYMENT

3 CENTS

April 25, 1944
3222 Prospect
Houston, Texas

Mrs. Louise Beck
Farmington, New Mexico

Dear Louise:

I have your letter of April 18th and am herewith enclosing a form of oil and gas lease which I have prepared on Texas Standard Form Producers 88 Revised.

My thought in connection with this lease is that Claude and I will get to work immediately on this well and drill it during the coming summer. However, since there are always many delays that can interpose, and we may be delayed in getting together the 160 acres necessary for a well, I have made the lease for two years rather than simply for one year. You will note, however, that if we fail to drill the first year, we have to pay \$1.00 an acre rental in order to keep the lease in effect for the second year.

The pooling provision which I referred to in my last letter is taken care of in Paragraph 4 of the lease, and because of two changes made in the form you should initial the margin of the lease at that point where I have marked an X in red pencil.

I am writing to Claude at once to get in touch with you and offer you the \$60.00 bonus if you are ready to sign and deliver the lease to him.

I am glad this has worked out this way as now we are in a position to drill the well ourselves rather than turn it over to the gas company as we did before.

I am looking forward to seeing you the next time I am in Farmington.

Best regards.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

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May 5, 1944

Mr. Al Greer
Aztec, New Mexico

Dear Al:

Attached is copy of telegram I have just received.
Just as soon as we receive further information it will be
forwarded to you.

Kindest regards.

Very truly yours,

John M. Kelly
Director.

JMK:MS

PETROLEUM ADMINISTRATION FOR WAR

HOUSTON 1, TEXAS

March 28, 1944

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. John M. Kelly, Director

Dear Mr. Kelly:

Thank you very much for your letter dated March 25 with reference to Mr. Al Greer's application for a gas well in the NE $\frac{1}{4}$ Section 2, Township 29N-Range 12W, San Juan County, New Mexico.

In view of the difficulty Mr. Greer is having in securing an appropriate unit, we shall be glad to review his application for the well, assuming of course he will supply the information requested in our letter of March 6.

We are sending Mr. Greer a copy of this letter, along with Recommendation No. 32, which sets forth the requirements for the formation of appropriate drilling units. We are suggesting that Mr. Greer submit a letter of offer to and reply from Messrs. Drago and Hutton, of Farmington, N. M.

At such time as we receive these data, we shall be glad to take action upon Mr. Greer's request.

Thank you very much for your cooperation.

Sincerely yours,



Henry M. Brown
District Director of
Natural Gas and Natural Gasoline Division

cc to: Mr. Al Greer
Aztec, New Mexico.

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

A. N. WILLIAMS
PRESIDENT

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JOHN M KELLY, DIRECTOR

OIL CONSERVATION COMMISSION STATE CAPITAL

RE GREER'S APPLICATION DRILL GAS-WELL SAN JUAN COUNTY,
NEW MEXICO. HAVE DISCUSSED CASE WITH DUCKER, NATURAL GAS
DIVISION. THEY ARE HAVING DISTRICT OFFICE WRITE YOU FULL
PARTICULARS REGARDING DENIAL OF THIS APPLICATION.

J E HESTON ASSISTANT DIRECTOR OF PRODUCTION

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

C
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March 25, 1944

Petroleum Administration for War
Houston, Texas

Gentlemen:

Mr. Al Greer of Astec, New Mexico, has requested the approval of this Commission to drill a gas well in the NE $\frac{1}{4}$ Section 2, Township 29N-Range 12W, N.M.P.M. This is in an area that both the Oil Conservation Commission and the PAW have set up for 160 acre spacing.

Mr. Greer informs me he is the owner of 120 acres out of the NE $\frac{1}{4}$, and that 40 acres, being the NE of the NE, are at the present owned by Mr. Drago and Mr. Hatton of Farmington, New Mexico. Mr. Greer has endeavored to have these gentlemen join with him to make a 160 acre drilling unit, which they have refused to do. At the present time Mr. Greer's land is being drained by an offset gas well located some 800 feet south of the south boundary of his lease.

This is to inform you that this Commission will be in favor of Mr. Greer filing for and obtaining an exception to P.A.W. Order which would permit him to drill a gas well on his present lease of 120 acres and to locate the gas well 330 feet south and west of the center of the NE $\frac{1}{4}$ of Section 2, Township 29N, Range 12W.

Very truly yours,

John M. Kelly
Director

JMK:MS
3 cc to Al Greer

Aztec, New Mexico,
March 17th, 1944.

Messrs Jim Hutton
and Earl Drago,
Farmington, New Mexico.
Gentlemen:-

You will recollect that we have had some conversations in reference to your leasing to me the NE NE Section 2, Twp 29 N. Range 12 W. which you hold by Tax Deed and you have informed me you did not wish to lease the land for oil and gas.

As I informed you I have a lease of the Beck land, the South half of the northeast quarter and the northwest of the northwest quarter of this section two and I contemplate drilling a well on this Beck land for oil and gas to the Pictured Cliff formation, approximately 2000 feet in depth at a cost of between \$12,000.00 and \$ 15,000.00.

The territory in question is in a restricted area for drilling whereunder 160 acres is required for drilling to be in one block. Under such regulations I, as an operator, in the drilling of a well on the Beck leased land ask you to participate in the drilling of a well for oil and gas and include your land in the block. Under this participation you would be required to pay your proportional cost (one fourth) of the drilling of the well and its upkeep and would, event of production of oil or gas, participate proportionally.

I am taking this matter up with the New Mexico Oil and Gas Conservation Commission, at Santa Fe, March 24th, 1944 and if you wish to participate in the drilling, and include your land, please advise both myself and the Commission on or before March, 23, 1944.

Yours truly,

Al Greer
Al Greer.
Box 337, Aztec,
New Mexico.

State of New Mexico)
County of San Juan) ss

Mr. Al Greer
Aztec, New Mexico

March 17, 1944

Dear Mr. Greer:

We appreciate your invitation to join you in drilling a well on the above described lands, however owing to the fact that we intend to drill a well for oil on our forty acres, we don't want to tie up our land in any other deal, therefore we refuse to participate.

Yours truly,

Subscribed and sworn to before
me this 17th day of March 1944

Edmond P. Woods

Notary Public
MY COMMISSION EXPIRES APRIL 12, 1945

Earl Drago
Earl Drago
Farmington, N.M.
Jim Hutton
Jim Hutton Farmington, N.M.

STATE BUREAU OF MINES & MINERAL RESOURCES

Box 871

Santa Fe, New Mexico

JOHN M. KELLY
DIRECTOR

April 17, 1946

C
O
P
Y

Mr. George F. Brewington
Mr. Al Greer
Mr. John A. Pierce
Mr. C. M. Carroll
Mr. Robert L. Maddox
Mr. L. G. Stearns

Aztec, New Mexico

Gentlemen:

Re: Case 72. Application for an order to rescind Order
No. 541

The above-captioned case has been set for hearing at Santa Fe, New
Mexico on May 1st, 1946 at 10:00 A. M.

Will each of you please acknowledge receipt of this notice?

Very truly yours,

Chief Clerk and Legal Adviser

mem

BEFORE THE OIL AND GAS CONSERVATION
COMMISSION OF THE STATE OF NEW MEXICO.

IN THE MATTER OF THE APPLICATION TO

RECIND ORDER No.541 (Case No.40)

No. _____

PERTAINING TO SPECING OF WELLS IN

THE "FULCHER BASIN FIELD" IN SAN

JUAN COUNTY, NEW MEXICO.

To, The Oil & Gas Conservation
Commission of the State of
New Mexico.

Gentlemen;-

Your petitioners respectfully show;

THAT WHEREAS, of date April 27,1943, your Commission made and entered and Order, under No.541 (Case No.40) limiting and fixing spacing of wells, drilled or to be drilled for oil and gas, in what is known as the "Fulcher Basin Field" in San Juan County, New Mexico, whereunder drilling was limited to units of not less than 160 acres.

That said Oder, as your petitioners are informed, was adopted to conform to a like Order made by Federal P.A.W., and which said Order has now been recinded by such Government Agency.

The underisgned, owners and lessee's of lands wituated within the territory covered by said Oder No.541, now respectfully show to the Commission that a continuance of such Oder prevents due developement of the lands within such territory embraced in said Order, for both oil and gas, and is a detriment to all land owners and lessee's and the general public.

WHEREFORE, your undersigned petitiones respectfully ask that said Order No.541 be recinded, as to all lands embraced therein, and that lands embraced and situayed in said described territory be permitted to be developed for oil and gas, under the same rules and regulations as existed prior to the entry of said Order N..541.
Dated April _____, 1946.

W. J. Minter
W. H. H. H.
John H. H. H.
C. M. Carroll
Robert L. Maddox
L. J. Stearns