

BEFORE THE  
OIL & GAS COMMISSION  
SANTA FE, NEW MEXICO  
EXHIBIT NO. 13  
CASE 12

October 23, 1939

Mr. J. B. Ladd, Vice President  
Consolidated Oil & Gas, Inc.  
312 United States National Bank Bldg.  
Denver 2, Colorado

Dear Mr. Ladd:

For the last several weeks we have been studying your proposal to deepen and attempt a dual completion in our jointly owned Government Owens Well No. 1-7 located in the SW 1/4 of Section 7, T. 31 N., R. 12 W., San Juan County, New Mexico.

We have come to the conclusion that we are not very much interested in this proposal; first, because this well has continued to be an excellent producer of Mesaverde gas; and second, there is no Dakota development within a mile and three quarters of this well, and we are not, therefore, suffering drainage.

As far as we are concerned we would much prefer to continue to produce the Mesaverde formation, which to date has made in excess of 100,000,000 cubic feet of gas, and not take a chance on injuring this formation by attempting a dual completion. A study of the existing Dakota completions indicates that the production varies considerably throughout the area, and it is possible that the economics of the majority of the Dakota wells may be marginal, at least resulting in long-term payouts.

Therefore, it is our thought that we should wait until more Dakota completions are made and we have more productive history before risking a recompletion of our Owens No. 1-7 well.

Yours very truly,

RM:McG:RT  
CC - E. L. Spieles  
H. J. Brunt

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