

UNITED STATES
DEPARTMENT OF THE INTERIOR

GENERAL LAND OFFICE
UNITED STATES LAND OFFICE
Salt Lake City, Utah
July 28, 1931

John F. Hinkle
Commissioner of Public Lands
Santa Fe, New Mexico

Dear Sir:

Your letter addressed to Commissioner of Public Lands was probably intended for the State Land Office, but was delivered to this office.

I have interviewed the State Land Board and they have not executed any leases or permits to drill on State land for Carbon Dioxide gas.

For your information I might state that a well driven on Government lands under an oil and gas prospecting permit has encountered Carbon Dioxide gas, from which dry ice is now being manufactured. However, no application for lease has yet been made. The regular standard form lease set forth in Circular 672 herewith enclosed is used by the Government.

The Government has tentatively fixed a price of 2¢ per 1,000 cubic feet as a basis upon which royalty must be paid for Carbon Dioxide gas. It is understood, however, that this price shall remain for only two years, at which time an adjustment will be made.

Until the present permittee makes application for a lease, he must meet the terms of the Government prospecting permit, which requires 20% royalty on all gas produced; that is, it would be necessary for them to pay 20% of the value of all gas produced, the price being based upon 2¢ per 1,000 cubic feet. The regular royalties fixed in Government leases will govern as soon as a lease is applied for.

All inflammable gases, the price upon which the royalty is based has been fixed by the Government at 5¢ per 1,000 cubic feet.

If you desire any further information regarding Government leases, I would suggest that you write direct to the Commissioner of the General Land Office, Washington, D. C.

Respectfully,

Ch. F. Taylor
Register

EFT-RSD.