

J.W.
JW

May 29, 1963

J. Cleo Thompson
1203 Kirby Building
Dallas 1, Texas

Re: J. Cleo Thompson - USA Etz,
No. 1 J, 26-16-30, and
Newmont Oil Co. - A.W. Etz,
No. 7 J, 26-16-30, Square
Lake Pool, Eddy County, N.M.

Dear Sir:

It has come to our attention that the subject wells are completed in the same pool on the same proration unit. Currently these wells carry a total allowable in excess of one normal unit allowable. However, the Commission Rules and Regulations limit the allowable of a forty acre tract to a maximum of one top unit allowable regardless of the number of wells thereon.

It is our understanding that in this instance each operator has the right to a portion of the vertical limits of the Square Lake Pool, those being the Grayburg and San Andres formations in full. Therefore, it will be necessary for each operator to meet with the other and arrive at some division of the allowables which will, hereafter, be assigned the unit. For example, it might be decided that it would be proper to split the allowable 50-50 or 40-60 or 35-65, or at any other ratio you desire.

Please file these factors with this office as soon as they are determined or by July 18, 1963, whichever is sooner.

Very truly yours,

RLS/uH

R. L. Stamets

cc: James Durrett, Oil Conservation Commission, Santa Fe, N.M.
James Knauf, U.S.G.S., Artesia, New Mexico
Newmont Oil Co, Artesia, New Mexico

3001 .65 vsm

1. Class Trips/Spas
1203 Kippay Butiguid
District 1, Ternate

Take boat, Vega County, N.W.
No. 2 9, 36-18-30, square
Newmont Oil Co. - A.N. Eng.
No. 1 9, 36-18-30, square
Ref. 7. Chico Thompson - 02A 25s.

extra used

If this case comes to our attention first the appropriate office will be contacted by the same body on the same procedure basis. Currently please see Office of the Comptroller Rule 245(b) Revisions if this situation occurs.

Please find attached a copy of the letter sent to us by Mr. John C. Wren, Secretary of the Board of Education, dated January 13, 1913.

STOCK VIEWS VIEV

R.F. Dammeyer
R.S. V.A.M.
G.C.I. Games Division, O.I.I. Conservation Commission, Saco, Me., N.H.

James Knut, U.S.G.S., Alaska, New Mexico
Newmont O.I.I. Co., Alamos, New Mexico