

TURNER, WHITE, ATWOOD, McLANE AND FRANCIS

ATTORNEYS AND COUNSELORS AT LAW

J. GLENN TURNER

W. D. WHITE

FELIX ATWOOD

ALFRED E. McLANE

EDWARD L. FRANCIS

JAMES B. FRANCIS

JULIAN M. MEER

TREVOR REES-JONES

HARRY S. WELCH

THOS. R. HARTNETT III

H. L. HITCHINS, JR.

WILLIAM L. MEINERNEY

WILLIAM G. WEBB

LEWIS CHANDLER

SNOWDEN M. LEFTWICH, JR.

WILLIAM C. HERNDON, JR.

THOMAS B. McELROY

DAVID P. SMITH

17TH FLOOR MERCANTILE BANK BUILDING

DALLAS 1, TEXAS

February 16, 1956



Mr. Emery C. Arnold
Supervisor, District Number 3
New Mexico Oil Conservation Commission
Post Office Box 697
Aztec, New Mexico

Re: Turner-Christine Hughes Number 1-3,
SW/4 Section 3, T-27-N, R-9-W,
San Juan County, New Mexico

Dear Emery:

This will acknowledge receipt of your letter dated February 6, 1956 with reference to the unorthodox unit attributed to the captioned well. This well was originally drilled by Byrd Oil Corporation and was acquired during the month of June, 1955 by Mr. Turner. Our title examination did not disclose any deficiency in the acreage covered by this lease. In fact, United States Oil and Gas Lease SF 078050, covering all of Sections 3 and 4, T-27-N, R-9-W, provides that same covers a total of 1,281.36 acres. We, therefore, assumed, at the time we examined title, that, if anything, there was an overage of acreage under the lease and not any deficiency. The surveys contained in the abstracts examined were, apparently, old surveys and did not disclose any deficiency.

However, in view of your statement that the SW/4 only contains 149.1 acres, apparently Sections 3 and 4 are short sections. In addition to the above well, your records will show that we drilled the following wells in Sections 3 and 4:

Christine Hughes Number 3-3, SE/4 Section 3,
T-27-N, R-9-W

Christine Hughes Number 4-3, NE/4 Section 3,
T-27-N, R-9-W

Mr. Emery C. Arnold

-2-

February 16, 1956

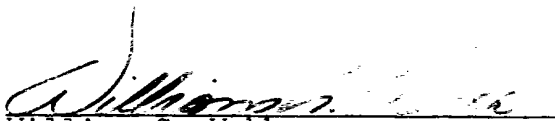
Christine Hughes Number 7-4, NW/4 Section 4, 159.87
T-27-N, R-9-W
Christine Hughes Number 8-4, SW/4 Section 4, 160
T-27-N, R-9-W
Christine Hughes Number 9-4, SE/4 Section 4, 160
T-27-N, R-9-W.

As soon as weather permits we plan to drill the Christine Hughes Number 5-3 in the NW/4 of Section 3 and the Christine Hughes Number 6-4 in the NE/4 of Section 4. If Sections 3 and 4 are short sections, then it would apparently be necessary for us to submit an application for administrative approval for non-standard proration units on each of the above referred to wellsites. I talked to Bill Macey and he stated that it would be all right with him to handle them all at one time, and, therefore, if you will please check your records and let us know if any of the other quarter sections on which we have drilled wells or on which we contemplate drilling wells are deficient we will submit, in accordance with Rule 6-B, an application for approval of all of these units.

In addition to the foregoing Pictured Cliffs wells, there is presently located in the SW/4 of Section 3 that certain Mesaverde Dakota well known as Christine Hughes Number 2-3. The acreage allocated to this well covers the W/2 of Section 3, T-27-N, R-9-W. If the W/2 of this section is deficient to such an extent that we need a non-standard proration unit for this well also please let us know and we will make the necessary application.

Thanking you in advance for your courtesy in this and other matters and with best wishes, I am

Yours very truly,


William G. Webb

WGW:mch

cc: Mr. W. B. Macey

TURNER, WHITE, ATWOOD, McLANE AND FRANCIS