

NEW MEXICO
OIL CONSERVATION COMMISSION
AZTEC, NEW MEXICO

February 22, 1956

Mr. William G. Webb
17th Floor, Mercantile Building
Dallas, Texas

Dear Mr. Webb:

Reference is made to my letter of February 6, 1956 addressed to J. Glenn Turner and your letter of February 16 to this office regarding the status of the unit for the J. Glenn Turner #1-3 Christine Hughes in the SW $\frac{1}{4}$ Section 3-27N-9W. As pointed out in your letter, the problem seems to be that two separate government surveys have been made on township 27N Range 9W, one having been made in 1882 and the new survey in 1949. Since writing you the letter of February 6 I have discussed the problem at some length with Mr. Macey in Santa Fe and various other people having acreage in areas which will be affected by re-surveys. We have come to the conclusion after discussing the matter that it is probably going to be necessary for the Commission to establish a policy stating what survey is to be used for proration purposes in any given area. As most of the leases in the San Juan Basin were originally taken on the basis of the old surveys, these proration units should probably be established on that basis. If we attempt to make acreage corrections on the basis of new surveys as they are made it appears that the problem might become so involved and start such a chain reaction of events affecting proration units that it might be better for us not to consider changing proration units. In the past the Oil Conservation Commission has not had a fixed policy regarding which survey was to be used in any given township and that seems to be why we have gotten into difficulty. Mr. Macey and our legal staff in Santa Fe are at the present time discussing the problem and I believe that an order will probably be written stating what basis the Commission will use in setting up proration units. It might be a good idea if you gave this particular problem some thought and then wrote a letter either to Mr. Macey or to Mr. Bill Kitts, OCE Attorney in Santa Fe, setting out your recommendations.

For the present, Mr. Macey and I have agreed that we are going to use the 1882 survey for establishing units hereafter in 27N-9W. Therefore you may disregard my letter of February 6, 1956 regarding the #1-3 Christine Hughes, as the SW $\frac{1}{4}$ of Section 3 contains 160 acres by the 1882 survey. Regarding the other wells about which you have inquired: The #3-3 Christine Hughes, SE $\frac{1}{4}$ Section 3 has a unit of 160 acres; the #4-3 C. Hughes in the NE $\frac{1}{4}$ has a unit of 160.35 acres; the #7-4 C. Hughes in the NW $\frac{1}{4}$ Section 4-27-9 has 159.87 acres; the #8-4 C. Hughes in the SW $\frac{1}{4}$ Section 3 has 160 acres; the #9-4 C. Hughes in the SE $\frac{1}{4}$ Section 4 contains 160 acres; the #5-3 C. Hughes in the NW $\frac{1}{4}$ Section 3 has 160 acres and the #6-4 C.

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Hughes, NE¹/₄ Section 4 has 160.49 acres. As all of the above are standard units under proration orders it will not be necessary to do other than file Gas Well Plats outlining the dedicated acreage.

If there is any change in the above policy in the near future I will notify you.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ks