NEW MEXICO

OIL CONSERVATION COMMISSION

AZTEC, NEW MEXICO

February 28, 1955

E. F. Cesinger 1315 Pacific Dallas, Texas

> Re: Cesinger #1 Phillips Section 11-28N-13W

Dear Mr. Cesinger:

Reference is made to my letter of February 23, 1955 regarding acreage dedication on the above-named well. I was in error that 160 acres would automatically be dedicated to this well. The policy of the Oil Conservation Commission regarding an unorthodox unit such as this is as follows: If the acreage dedicated is wholly within one quarter-section on Pictured Cliffs wells then the total acreage will be allowed, pending hearing, even though the unit is unorthodox. However if the acreage dedicated is not wholly within one quarter-section as is the case for your fl Phillips well, then only that acreage lying within the quarter-section upon which the well is located will be allowed until the unit has been approved throug hearing. If the 160 acre unit being the South half of Section 11 is approved after hearing then 160 acres will be allowed this well.

However until the matter is brought to hearing only 80 acres will be allowed, this being the 80 acres within the quarter-section upon which your well is located. Therefore it will be even more to your advantage to call this matter to hearing at the earliest possible time so that the balance of your 160 acres as shown by the plat may be included in the well's dedicated acreage.

Yours very truly

Emery C. Arnold Supervisor, District #3

ECA:ks cc: Elvis A. Utz Santa Fe, N.M. E. F. CESINGER
GEOLOGIST
1315 PACIFIC
DALLAS, TEXAS
FEBRUARY 15, 1955

MR. EMERY C. ARNOLD
OIL & GAS INSPECTOR DISTRICT #3
NEW MEXICO OIL CONSERVATION COMMISSION
AZTEC, NEW MEXICO

DEAR SIR:

AT YOUR SUGGESTION, I HAD MR. ECHOHAWK STAKE TWO LOCATIONS IN SECTIONS 10 AND 11, TOWNSHIP 28 NORTH, RANGE 13WEST. DUE TO THE TERRAIN HE WAS UNABLE TO STAKE THE LOCATION IN SECTION 10 WHERE WE CONTEMPLATED, AND I WAS NOT ABLE TO USE THE SE OF SECTION 10 AND THE SW OF SECTION 11 AS THE UNIT FOR THE WELL NOW PRODUCING, AS YOU SUGGESTED. I AM THEREFORE USING THE S/2 OF SECTION 11 AS A 160 ACRE UNIT FOR THE GAS WELL NOW PRODUCING IN SECTION 11, KNOWN AS CESINGER - PHILLIPS #1.

Then, if you think it is advisable, I will file application for a special permit covering the location 1630° from the East Line and 840° from the North Line of Section 11. This locations falls in Lot 2. By designating Lots 1, 2, 3 and 4 in Section 11 and 1 and 2 in Section 10, we will have in this 173.28 acres. Then, for the final location, which falls 990° from the East Line and 1140° from the South Line of Section 10 (as you can see from the plat, this location is barely accessible), the S/2 of Section 10 will be allocated, being 160 acres more or less.

IF THE TWO EXTRA LOCATIONS MEET WITH YOUR APPROVAL, PLEASE ADVISE ME AS TO WHETHER! WOULD NEED A SPECIAL PERMIT ON THE LOCATION OF THE WELL NOW PRODUCING IN SECTION! SINCEALL OF THE ACREAGE ALLOCATED THIS WELL FALLS IN!. I AM SURE THAT! WILL HAVE TO HAVE A SPECIAL PERMIT ON THE LOCATION FALLING IN LOT 2, AS THE ACREAGE ALLOCATED TO THIS COMES IN TWO DIFFERENT SECTIONS.

FURTHERMORE, PLEASE ADVISE ME WHETHER THE FILING SHOULD BE MADE WITH YOU OR DIRECTLY TO THE CONSERVATION COMMISSION IN SANTA FE.

HOPING THAT THIS CLEARS UP THIS WELL OF MUCH CONTRAVERSY, | AM

VERY TRULY YOURS,

E. F. CESINGER

EFC/LM

ENCLS: 3 GAS WELL PLATS SHOWING NUMBER OF ACRES DEDICATED TO WELL. 1 COPY EACH OF LOCATIONS STAKED IN SECTIONS 10 AND 11 BY E. ECNBHAWK, ENGINEER.

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