

NEW MEXICO
OIL CONSERVATION COMMISSION
AZTEC, NEW MEXICO

August 20, 1956

Mrs. Zetta J. Beer
5133 Canterbury Drive
San Diego 16, California

Dear Mrs. Beer:

Reference is made to your letter of August 3, 1956, regarding your San Juan Basin acreage.

You have inquired as to what the term "dedicate" means. I will try to explain, to the best of my ability. The M.S. & B.W. Company drilled a well in the NE/4 Sec 33-T30N-R12W. Our State law requires that 160 acres (being a 1/4 Section) be dedicated to a gas well. I have talked to Mr. Bob Maddox of M.S. & B.W. Company and he tells me that he owns the lease on the NE/4 of Sec 33-T30N-R12W. As to how or when the lease was acquired I would have no way of knowing, but I am certain that Mr. Maddox would not have dedicated that acreage to this well if he had not had a valid lease.

If there is more than one mineral owner represented within a 160-acre dedicated drilling block, then each shares in the royalty in proportion to their acreage. In other words, if a 40-acre mineral owner in a 160-acre block would get 40/160, or 1/4 of 1/8, it would make a 1/32 mineral interest in the entire production of the well.

I presume from your two letters and from my conversation with Mr. Maddox that Southern Union Gas Company has been regarding your proportion of the share of the royalty from the production from the Hargis well and they will no doubt pay this as soon as they are certain that the legal title is straightened out.

You have requested that I furnish you certified copies of the Court action mentioned in my letter. Such copies must be obtained from the County Clerk of the county where the action took place. I have no way of getting such copies.

NEW MEXICO
OIL CONSERVATION COMMISSION
ALBUQUERQUE, NEW MEXICO

August 30, 1936

Mr. Walter J. Reed
2122 Canterbury Drive
San Diego 16, California

Dear Mr. Reed:

Reference is made to your letter of August 3, 1936, regarding your San Juan Basin property.

You have indicated as to what the term "dedicated" means. I will try to explain to the best of my ability. The M.G. & E.W. Company drilled a well in the NE 1/4 Sec 33-T30N-R12W. Our State law requires that 100 acres (being a 1/4 section) be dedicated to a gas well. I have talked to Mr. Bob Haddock of M.G. & E.W. Company and he feels that he owns the lease on the NE 1/4 of Sec 33-T30N-R12W. As to how or when the lease was acquired I would have no way of knowing, but I am certain that Mr. Haddock would not have dedicated that acreage to this well if he had not had a valid lease.

If there is more than one mineral owner represented within a 100-acre dedicated drilling block, then each shares in the royalty in proportion to their acreage. In other words, if a 40-acre mineral owner in a 100-acre block would get 40/100, or 1/2, of the royalty. If there is 1/32 mineral interest in the entire production of the block, he would get 1/32 of the royalty.

I presume from your two letters and from my conversation with Mr. Haddock that Southern Union Gas Company has been acquiring your proportion of the share of the royalty from the production from the high well and they will no doubt pay this as soon as they are certain that the legal title is in their name. I am certain that they are correct.

You have requested that I furnish you certified copies of the Court action mentioned in my letter. Such copies must be obtained from the County Clerk of the county where the action took place. I have no way of getting such copies.

San Diego, California
August 3, 1956

Mr Emery C. Arnold
Supervisor, Dist #3
Aztec, New Mexico

Dear Mr Arnold:

I wish to thank you for your prompt and courteous reply to my inquiry of June 20th. I wrote the Southern Union Gas Company of Dallas, Texas, and received their reply a few days ago. I want to thank you from the bottom of my heart for your kind assistance in this matter and since you were so nice I thot you would like to know the outcome. Since you are the Supervisor of the 3rd District, evidently the district in which the Terrell estate is located the more information you have the better posted you will be.

I received a reply from William S. Jameson, my letter referred to him by Mr Wiederkehr of So Union Gas Company. He states :- " Our files indicate that a small royalty interest has been accruing to Mrs. R. S. Newsome(should be Newcomb), and Mrs Myrtle Jepson on the books of the company due, among other things, to the inability of the Company to locate their whereabouts. Your letter indicates that perhaps these two parties are now deceased and that the persons named in your letter are the possibly their legal heirs. I would appreciate it if you would furnish us certified copies of the Court Action mentioned in your letter, and dealing with the estates of Mrs Newsome and Mrs Jepson so that we might proceed to determine the ownership of the royalty interest being held in suspense by the Company."

I mailed them my certified copy of the Decree and my cousin Mrs Anderson of Tucson, Arizona has mailed them the names and correct addresses of her two brothers and two sisters, children and only heirs of Mrs Newcomb, who died in 1936. My mother Mrs Jepson died in 1945 and my Uncle Dick Terrell knew all about this and also my cousins were in pretty close touch with him through the years, dropping in on him at the ranch whenever they were in the vicinity. In 1947 he even got two of the girls to sign a document, telling them it was for the purpose of putting a road through the property, it turns out now it was a deed to their part of the property, although they retain their mineral rights. That was about the time he was negotiating with Hargis for this well. My cousin tells me Mrs Hargis is the brother of Richard Terrell's wife. We are amazed to know that the entire NE₄ of Section 33 is dedicated to this well and some of the Terrell estate. You speak of "dedicated" does this mean that Mr Bob Maddox of the MSBW Co has a lease on this property? When was this well started and approximately how much royalty does Mr Terrell receive? Also what is the total output of this well per year?

I wrote to Mr Maddox regarding a well in Section 28. The description of the Terrell property is E₂ of the E₁ of the SE₄ of Section 28 T 30 N. R12 W. He told me on Feb 17th, 1956 that "there is no well on the Gavin and Terrell 80 acres." He did state that the the well was located on the Palmer estate and the title was vested in James G. and Vera Palmer. That I was misinformed as to that well. Perhaps some of this section 28 of the Terrell property is also "dedicated"? to this well.

I also wrote to Judge La Vor W. Burnham and received a reply from him Mar 9th, 1956, regarding my interest in the Terrell Estate

