



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
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87410

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A. L. PORTER, JR.
SECRETARY - DIRECTOR

July 22, 1969

Mr. George Hatch
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Dear George:

Enclosed are copies of cost and remedial tabulations on two force pooled well units which were mailed to Mr. Lindsey by Beta Development Company. He had requested a cost accounting as set out by terms of the two pooling orders. The Ollie Sullivan #1 was pooled by order R-2068-B and the Irene Brown #1 was pooled by order R-2151-A. D-22-30-12

At the time of the pooling case the acreage involved was owned by Julian Coffey who is now deceased.

Mr. Lindsey and his attorney, Haskell Rosebrough of Farmington, have requested a clarification from us on the definition of legitimate cost deductions. The orders specify operating cost of \$75,00 per month and I notice that all of their monthly cost tabulations exceed this figure, sometimes by several times. Are these operating costs beyond the \$75.00 per month which may be added and if so shouldn't the operator be required to document these costs?

Will you please analyze the problem and let me know what you decide. In fact, it might be preferable if you would write Mr. Lindsey or his attorney direct with your findings, but I would like a copy.

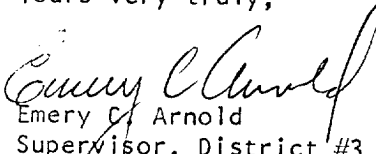
We seem to be getting inquiries from several sources concerning forced pooled units.

I am wondering if it might not be good for the Commission to review all force pooling orders and determine if the operators are conforming to the provisions of the orders. Let me know what you think?

Will you please return the enclosed cost sheets as Mr. Lindsey has no other copies.

Thanks.

Yours very truly,


Emery C. Arnold
Supervisor, District #3

ECA:mc