

June 19, 1953

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Att: Mr. R. R. Spurrier, Secretary-Director

Dear Dick:

We have received your copy of John Moya's letter of June 15, 1953, regarding unorthodox location in Section 18-30N-11W.

His reasons for asking for an unorthodox location are valid, so far as I can see, as most of the facts seem to be as he states them. Also, I am a little confused regarding the question of offset leaseholders because his location is not crowding any outer boundaries of the 160-acre tract. In fact, the reason that it is unorthodox is because it is too close to the center. Is it necessary to require permission from offset leaseholders in such cases? The main objection, as I see it, is that he is exactly on the 40-acre line, and the rule for defined gas pools states that you should be 330 feet from the quarter-quarter line. However, the pool rules as set up now on the Blanco-Mesaverde and Fulcher-Kutz Pictured Cliffs pools does not require operators to stay off the quarter-quarter section lines, but merely states that they should be 330 feet from the center of the quarter-section. By those rules this is not an unorthodox location, and as it is producing from the same reservoir as the Fulcher-Kutz Pictured Cliffs pool I see no reason why there should be a difference.

We still have not approved the Notice of Intention to Drill and will not do so in any case until we receive notice from you that the bond has been approved and that you have approved the unorthodox location.

In answer to your question of who owns the offsets, the quarter-section to the East, which would be the SE/4 Section 17 is owned by Harmon Owen and already has a completed gas well to the Pictured Cliffs sandstone on it. The quarter to the West is under lease to Mr. Moya. Do you want me to have him get a letter of approval from Harmon Owen?

Yours very truly,

Emery C. Arnold
Oil & Gas Inspector, Dist. #3

ECA:ks
Encls.

June 12, 1953

Oil Conservation Commission
Box 97
Santa Fe, New Mexico

Atty. Mr. R. B. Springer, Secretary-Director

Dear Dick:

We have received your copy of John Hays's letter of June 10, 1953, regarding
unorthodox location in Section 18-30N-11W.

The reasons for asking for an unorthodox location are valid, so far as I
can see, as most of the facts seem to be as he states them. Also, I am
a little confused regarding the question of offset leaseholdings because
this location is not touching any outer boundaries of the 40-acre tract.
In fact, the reason that it is unorthodox is because it is too close to
the center. Is it necessary to require permission from offset lease-
holders in such cases? The main objection, as I see it, is that he is
exactly on the 40-acre line, and the rule for defined gas pools states
that you should be 330 feet from the quarter-quarter line. However,
the pool may be set up now on the Blanco-Mesa and Fulcher-Kutz
Pictured Cliffs pools does not require operators to stay off the
quarter-quarter section lines, but merely states that they should be
330 feet from the center of the quarter-section. By those rules this
is not an unorthodox location, and as it is produced from the same
reservoir as the Fulcher-Kutz Pictured Cliffs pool I see no reason
why there should be a difference.

We still have not approved the Notice of Intention to Drill and will
not do so in any case until we receive notice from you that the bond
has been approved and that you have approved the unorthodox location.

In answer to your question of who owns the offset, the quarter-section
to the East, which would be the 2EA Section 17, is owned by Harmon Owen
and already has a completed gas well to the Pictured Cliffs sandstone
on it. The quarter to the West is under lease to Mr. Hays. Do you want
me to have him get a letter of approval from Harmon Owen?

Yours very truly,

Ernest C. Arnold
Oil & Gas Inspector, Dist. #3

ECA:ks
Encls.