

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1220

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

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OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

MABRY HALL STATE CAPITOL SANTAFE NMEX

ATTENTION: MR W B MACEY SECRETARY AND DIRECTOR. REFERENCE CASES 948 AND 949 AND SPECIFICALLY THE APPLICATIONS OF CITIES SERVICE OIL COMPANY FOR 320 ACRE NON-STANDARD GAS PRORATION UNITS FOR THEIR CLOSSON "A" WELLS NO 1 AND NO 3 LOCATED IN SECTION 18 T-22-S R-36-E JALMAT GAS POOL. IN GENERAL WE ARE NOT OPPOSED TO APPLICATIONS OF THIS TYPE WHERE IT CAN BE SHOWN THAT ALL OF THE ACREAGE WITHIN A PROPOSED NON-STANDARD GAS PRORATION UNIT CAN BE REASONABLY EXPECTED TO BE PRODUCTIVE OF GAS UNDER THE ENTIRE UNIT FROM THE ZONE IN WHICH THE WELL TO BE GRANTED A PREMIUM ALLOWABLE IS COMPLETED. WE RECOGNIZE THAT THE WELLS IN QUESTION ARE COMPLETED WITHIN THE VERTICAL LIMITS OF THE JALMAT GAS POOL AS NOW DEFINED BUT WE FURTHER BELIEVE THERE IS GRAVE DOUBT THAT ALL OF SECTION 18 CAN BE CONSIDERED AS PRODUCTIVE OF GAS WITHIN THE ZONE FROM WHICH CLOSSON A-1 AND A-3 NOW ARE PRODUCING. GEOLOGICAL AND MECHANICAL DATA AVAILABLE UNDER THE CITIES SERVICE CLOSSON "A" AND "B" LEASES WHICH COMPRISE ALL OF SECTION 18 INDICATE THAT THE GAS PRODUCTION NOW BEING OBTAINED FROM CLOSSON A-1 IS COMING FROM A PERFORATED INTERVAL OPPOSITE THE UPPER SEVEN RIVERS FORMATION AND CLOSSON A-3 IS OBTAINING ITS GAS PRODUCTION FROM A CONTINUOUS PERFORATED INTERVAL THAT COVERS THE BASAL YATES AND UPPER SEVEN RIVERS

NOT TO BE USED FOR ANY PURPOSES OTHER THAN ITS SERVICE

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FORMATIONS. CITIES SERVICE CLOSSON "B" WELLS 1 AND 5 LOCATED IN THE SE NW AND THE NE NW SECTION 18 RESPECTIVELY WERE COMPLETED ORIGINALLY IN THE UPPER SEVEN RIVERS BUT SUBSEQUENTLY HAVE BEEN PLUGGED AND ABANDONED DUE TO EXCESSIVE WATER ENCROACHMENT. BOTH OF THESE LATTER TWO WELLS WERE PERFORATED AND TESTED IN SEVERAL YATES INTERVALS WITHOUT DEVELOPING COMMERCIAL GAS PRODUCTION AFTER THE SEVEN RIVERS HAD BEEN ABANDONED AND PRIOR TO FINAL ABANDONMENT OF THE WELLS. ALTHOUGH THERE HAS BEEN NO DEVELOPMENT ON THE SW QUARTER SECTION 18 GEOLOGICAL DATA FROM WELLS ON THE BALANCE OF THE SECTION INDICATE THAT THE UPPER SEVEN RIVERS FORMATION UNDER ALL OF THE WEST HALF OF SECTION 18 WOULD BE FOUND AT STRUCTURAL ELEVATIONS COMPARABLE TO OR LOWER THAN THOSE IN CLOSSON "B" WELLS 1 AND 5. AS CLOSSON "B" WELLS 1 AND 5 ALREADY HAVE BEEN DEPLETED IN THE UPPER SEVEN RIVERS WE FEEL THAT THE UPPER SEVEN RIVERS CANNOT REASONABLY BE CONSIDERED AS PRODUCTIVE OF GAS UNDER THE WEST HALF OF SECTION 18 AND THAT THE GRANTING OF THE PRORATION UNITS REQUESTED IN CASES 948 AND 949 WOULD CONSTITUTE AN UNFAIR AND UNFOUNDED PRORATION PRACTICE AND CERTAINLY WOULD NOT CONSTITUTE PROTECTION OF CORRELATIVE RIGHTS. ACCORDINGLY WE OBJECT TO THE APPLICATIONS AS COMPRISED IN CASES 948 AND 949. RESPECTFULLY=

J R CONE BY L O STORME

948 949 320 A 1 3 18 T-22-S R-36-E JALMAT 18 A-1 A-3 A B 18
A-1 A-3 B 1 5 SW NW NE NW 18 SW 18 18 B 1 5 B 1 5 18 948 949

948 949= THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE