

LAW OFFICES OF
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ALBUQUERQUE, NEW MEXICO

April 2, 1958

TELEPHONE CHAPEL 2-3298
POST OFFICE BOX 88

Mr. William J. Cooley
New Mexico Oil Conservation Commission
Capitol Building
Santa Fe, New Mexico

Re: King Oil Company

Dear Jack:

I hand you herewith an original and two copies of an Application for an Exception to Rule 104 (b) (2) which we discussed about a month ago.

I would appreciate your going over these and, before actually filing them, making any suggestions you have as to the appropriateness or conformity with regular Commission procedure.

The thing that had me buffaloeed was the fact that we actually have three different wells in one hearing, but actually there is no reason I know of that they couldn't be handled simultaneously because they are all located close together, all of them have the same basic problem, and the Texas Company is the only person concerned with any of the three.

I have in my possession, and will bring to the Examiner Hearing as a matter of proof, the actual farmout agreement and sublease agreements covering these three 160 acre spacing tracts and did not attach them to my pleading for the reason that I do not think the Texas Company particularly wants them made a matter of public record and secondly they are probably a pure matter of proof anyway.

I am sorry that I have been so long on this project, but have actually been busy running down the details and getting the thing straightened out.

Yours very truly,



John F. Simms, Jr.

JFS:ml
Enclosures
cc: Mr. Bernard King

may
Exam E. Henry

BEFORE THE NEW MEXICO
OIL CONSERVATION COMMISSION

Number 1432

IN THE MATTER OF THE KING OIL COMPANY'S
APPLICATION FOR UNORTHODOX GAS WELL LOCATION
AS AN EXCEPTION TO RULE 104 (b) (2)

Applicant, King Oil Company, with home offices in Denver, Colorado, respectfully applies to the Commission for an order granting an exception under Rule 104 (b) (2) of the New Mexico Oil Conservation Commission rules approving the applicant's unorthodox gas well location and as reasons therefor states:

1. That heretofore the applicant, with the approval and permission of the District Supervisor of District Number 3, projected as potential oil well completions the following described wells located in the places set opposite each well description on proposed 40 acre spacings as follows:

a. King Oil Navajo A-1 - 2,310 feet from the South line and 2,310 feet from the West line of the $SE\frac{1}{4}$ of Section 4, Township 30 N, Range 17 W, San Juan County, New Mexico (40 acre permit - $NE\frac{1}{4} SW\frac{1}{4}$, Section 4, Township 30 N, Range 17 W, San Juan County, New Mexico).

b. King Oil Navajo A-2 - 330 feet from the East line and 1,650 feet from the North line of the $NE\frac{1}{4}$ of Section 4, Township 30 N, Range 17 W (40 acre permit $SE\frac{1}{4} NE\frac{1}{4}$, Section 4, Township 30 N, Range 17 W, San Juan County, New Mexico).

c. King Oil Navajo B-2 - 660 feet from the East line and 660 feet from the South line of Section 34, Township 31 N, Range 17 W (40 acre permit $SE\frac{1}{4} SE\frac{1}{4}$).

2. That all of the said above described three wells have been subject to gas completions rather than oil completions originally applied for with the possible exception of the King Oil Navajo A-2

well which is now capped and which your applicant believes will be completed as a gas well after some additional work.

3. That your applicant to the best of its knowledge and belief states that the only offset owner concerned with this application is the Texas Company who have full knowledge of this application and who have, in order to accommodate this applicant, allotted additional acreage to these three wells so that this applicant now is in a position to allocate the following acreage to the following wells; a location plat being attached hereto:

(1) King Oil Navajo A-1 SW $\frac{1}{4}$, Section 4, Township 30N, Range 17 W, 160 acres.

(2) King Oil Navajo A-2 NE $\frac{1}{4}$, Section 4, Township 30 N, Range 17 W, 160 acres.

(3) King Oil Navajo B-2 SE $\frac{1}{4}$, Section 34, Township 31 N, Range 17 W, 160 acres.

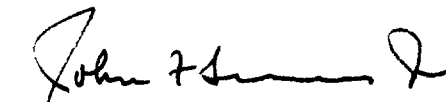
Wherefore applicant prays for an order of the Commission as follows:

- a. The setting of this application at an early Examiner Hearing.
- b. An order of the Commission approving on behalf of this applicant unorthodox gas well locations in the above described 160 acre tracts.
- c. For such other and proper relief as the Commission may deem advisable.

Respectfully submitted,

KING OIL COMPANY

By



John F. Simms, Jr.

Attorney at Law

Post Office Box 88

Albuquerque, New Mexico