SCANLON ENGINEERING CO.

P. O. BOX 601 PH. DA 5-3492

FARMINGTON, NEW MEXICO

September 27, 1961

Mr. A. L. Porter, Jr. Secretary & Director P.O. Box 871 Santa Fe. New Mexico

Dear Sir:

The undersigned has under tease from the Santa Fe Pacific Railroad Company the fottowing described acreage in T2ON, R9W, N.M.P.M., McKintey County, New Mexico.

S/2 of SE/4 and S/2 NE/4 of Section 21 N/2 of SW/4 of Section 22

In addition to the above acreage, I have requested a lease on the following acreage and Santa Fe Railroad has reacted favorably to my proposal but as of this date I do not have a signed lease agreement.

N/2 of SE/ $\mu$  of Section 21 S/2 of SW/ $\mu$  and S/2 of NW/ $\mu$  of Section 22 N/2 of NW/ $\mu$  of Section 27

The above acreage is approximately one and one-half miles from the Chaco Oil Company's Red Mountain lease which is being operated by Henry Birdseye of Albuquerque, New Mexico. Mr. Birdseye is water flooding the old Red Mountain field and his production is coming from the Mesa Verde sands at 470 feet below ground level.

I have drilled several wells on my acreage and it appears that I will be able to complete some small wells in one of the Mesa Verde sands at a depth of 315'-325'. This drilling is being done in an area where, in the 1940's, several wells were drilled and were plugged and abandoned after the small wells went to producing large quantities of water.

In view of the facts presented above, I would like to request a hearing before the Commission to request that the well spacing in this area be established at one well per each 2½ acres. This request is for the shallow wells only. By shallow wells, I mean wells below 1,000 feet in depth. We do not anticipate drilling any wells below 550° and in all probability will not exceed 350° in depth.

Right Control of the Control of the

FARMINGTON, NEW MEXICO

> I would certainly appreciate it if this hearing could be held at the earliest possible, date because we have two rigs in the area and we would like to drill as many of these

> shallow wells as we can before severe winter weather sets in.

Very truly yours,

K. J. Scance.

R. J. Scanlon

cc: E. C. Arnold 1000 Rio Brazos Road Aztec, New Mexico