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ATTORNEY AND COUNSELOR AT LAW

HARRISON BUILDING
CANON CITY, COLORADO

March 29, 1951

New Mexico Oil Conservation Commission
State Capitol
Santa Fe, New Mexico

Sirs:

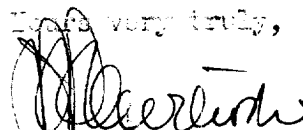
Colo-Mex Gas Company, for which the undersigned is attorney, is the owner of a carbon dioxide gas well located in Harding County, New Mexico. The well is known as the "De Baca Well #2" and is located on the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 31, Tp. 20 N., R. 31 E. of the New Mexico Meridian. Colo-Mex Gas Company has contracted to sell to Iceco, Inc. its interest in this well and lease on the forty acre tract on which it is located, together with all buildings and equipment located upon the property.

At the time the agreement between Colo-Mex and Iceco was made for the sale and purchase of this property the De Baca Well #2 was the only carbon dioxide well in that area. It is my understanding that Iceco has acquired leases on land adjoining the aforementioned forty acre tract and has drilled two other carbon dioxide wells on such adjoining land. I believe that such wells have been drilled either on the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 31 or the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Sec. 31. Gas from these two other wells, together with gas from the De Baca Well #2, is being piped to a plant located on the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 31 and there processed into dry ice. Because of the proximity of these two other wells to the De Baca Well #2, we are wondering whether the withdrawal of gas from them may adversely affect the production of gas from the De Baca Well #2.

In view of the foregoing circumstances, I should appreciate your furnishing me with a report of the amount of gas withdrawn from these three wells during the past two years. I do not know how often you read the meters on these wells but if I could have a report of each meter reading made by you, and the date thereof, I would greatly appreciate it. In addition, I should like to have any information concerning regulations you have made relative to the number of wells that may be drilled in any given area. I do not have the exact location of the two other wells, but I am sure that information will appear in your files since I understand that there are only three wells in Sec. 31.

Thanking you for a reply at your earliest convenience, I am

Yours very truly,


J. H. HAWTHORNE