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STANOLIND OIL AND GAS COMPANY

STANOLIND BUILDING
TULSA, OKLAHOMA

RECEIVED
SEP 10 1954
UNITIZATION

PRODUCING DEPARTMENT
G. B. JENKINSON
UNITIZATION MANAGER

September 9, 1954

File: GBJ-31.95

Re: Proposed West Rangely Unit

Mr. Woollen H. Welshe
The California Company
800 The California Company Building
New Orleans, Louisiana

Dear Sir:

Replying to your letter of August 25 in connection with the 50 copies of unit agreement and 50 copies of unit operating agreement covering the proposed West Rangely Weber Unit and your suggestion in this letter that we meet sometime in the near future to make plans concerning the execution of these agreements, I am sorry to advise that the Stanolind Oil and Gas Company does not feel justified in joining in this West Rangely Weber Sand Unit.

Our reason for taking this position as outlined to you over the telephone on September 8, is that our partners in the most important productive leases in the West Unit have definitely refused to join in this unitization project. I have personally contacted them by telephone and I find that the Rio Blanco Oil Company (Husky), Arthur Cameron and George Cameron and his Associates have definitely refused to become a party to the agreement, and without their cooperation in this project, it would be extremely unbusinesslike for our company to join the unit without their consent.

In the following leases Stanolind itself owns only a 23.44% interest, namely, Tract No. 5, Mary C. Hagood "A"; Tract No. 10, Mary C. Hagood "B"; Tract No. 18, L. N. Hagood "A"; Tract No. 19, C. R. Stoffer "B"; Tract No. 21, C. R. Stoffer "A"; Tract No. 27, Sterling B. Lacy. The balance of the interest in these tracts, as stated above, is owned by the above mentioned parties and the Utah Oil Refining Company. While the Utah Oil Refining Company is an associated company of ours, they do not have interest in the other leases held by the Stanolind in the West Rangely Unit Area, which makes their position somewhat different from ours and places them in the same position as the Husky interest and the Cameron interests.