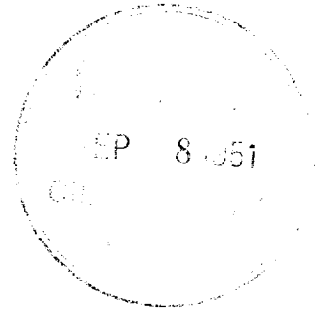


PUBCO DEVELOPMENT, INC.
P.O. Box 1360
Albuquerque, New Mexico



September 7, 1951

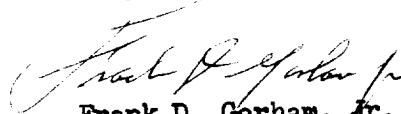
Mr. Al Greer
State Oil and Gas Inspector
District #3
Aztec, New Mexico

Dear Mr. Greer:

Enclosed please find executed Intention to Drill forms for two wells within Section 32 of 29N-8N (State Land). We wish to allot the N/2 of the section to Pubco #3 State and the S/2 of the Section to #2 State. Please note that Three States National Gas Company owns and controls the SW/4 of the SW/4 (40 acres). They have agreed to contribute their pro rata share of #2 State (1/8) in exchange for 1/8 of production.

Please send a dozen more blank forms of Intention to Drill.

Very truly yours,


Frank D. Gorham, Jr.
Vice-President

FDG:bm

Enclosure