B. F. LATCH

-CONSULTANT-

PROFESSIONAL GEOLOGIST --- REGISTERED PROFESSIONAL ENGINEER CERTIFIED

TEL. 303-247-5050

93 RIVERVIEW DRIVE

DURANGO, COLO. 81301 July 25, 1977

Mr. P. T. McGrath District Engineer U. S. Geological Survey Box 959 Petroleum Club Plaza Bldg. Farmington, New Mex. 87401

Re: Proposed well location, San Juan Co. New Mexico.

Dear Mr. McGrath,

The UNITED COMPANY proposes to drill a well to test the Pictured Cliffs sandstone in the $ne\frac{1}{4}$, of the $nw\frac{1}{4}$, of section # 24, T-29-N R-12-W San Juan Co. New Mexico.

Said well is anticipated to be productive of gas and to reach a total depth of approximately 1800'.

A non standard gas proration unit has been granted us by the New Mexico Oil Conservation Commission. Under this authorization, we propose to dedicate 160 acres, composed of, $n\frac{1}{2}$ $nw\frac{1}{4}$, $sw\frac{1}{4}$ $nw\frac{1}{4}$, and the $nw_{\frac{1}{4}}^{\frac{1}{4}}$ sw₄, of section # 24, T-29-N R-12-W to this well.

The proposed location is 660' fnl & 1980' fwl of the section. Because this location falls in the imminent proximity of a heavily traveled road and, in the very bottom of a wash, I am reasonably sure that some minor adjustment to the location will need to be made. This, to avoid impeding both the natural drainage and the established traffic pattern in the area. However, we are certainly agreeable to drilling the well as near the designated spot as is physically prudent.

We now have in hand both proper designations of operator and the proper bonding to cover operations on this lease.

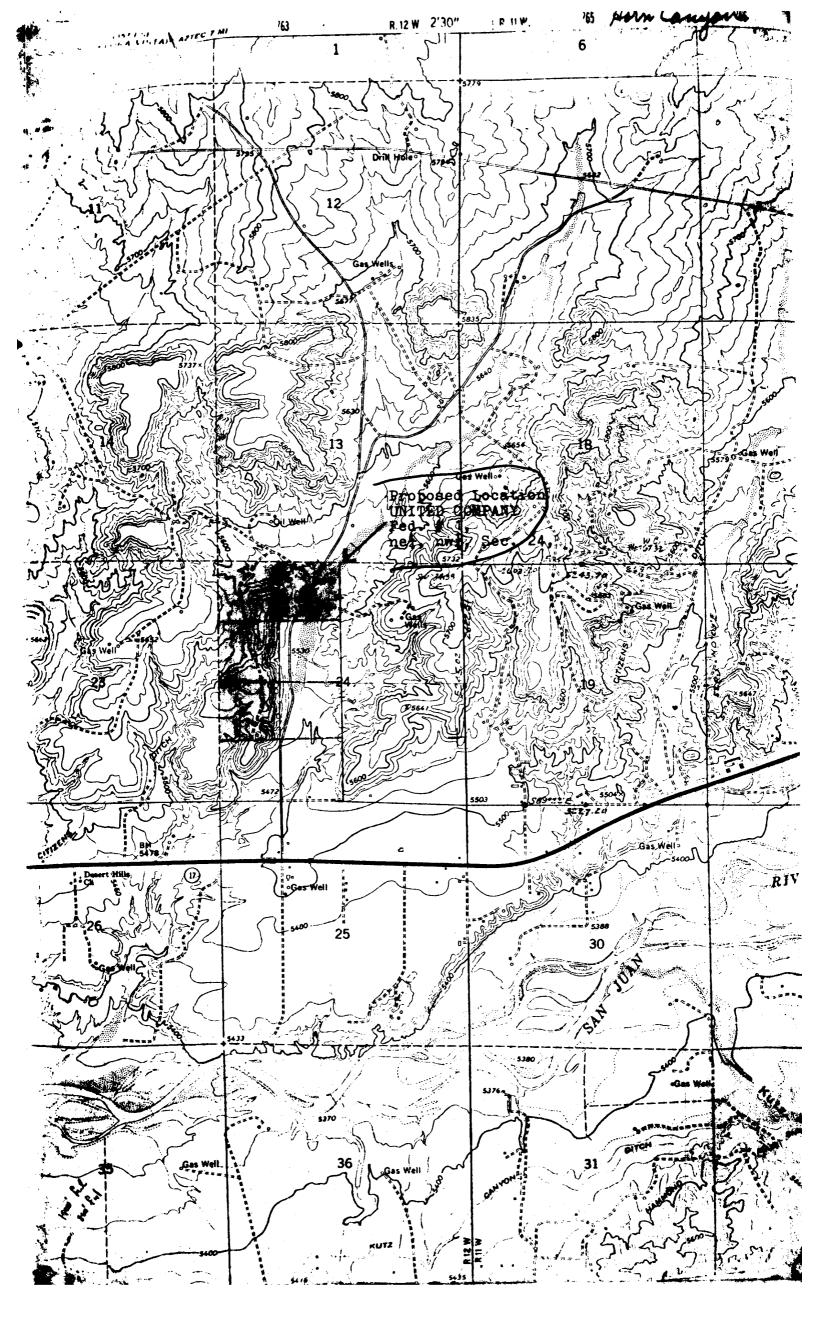
We will certainly appreciate any efforts on your behalf to hasten the accomplishment of this program.

Encl. 2

cc: BLM Farmington NMOCC Aztec

Sincerely, B. 7. Lacet

B. F. Latch,



J. S. Ward & Son, Inc.

STATES

Actuals, New Montes 86910

July 18, 1977

Bureau of Land Management P. O. Jak 1449 Squite Pe, New Manico 87502

An: Daited Company, Inc. \$10,000 head of Oil & Cop Leane HM-013885 and 048573 Section 26, Temaskip 298, Range 12 West, San John County, New Memide

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Mrs. maire Dangley

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Mr. Lineard Latch Salte 307, Tesse Commune Bank Bldy Lubbook, Texas 79401