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RECEIVED
JUN 29 1999
OIL CON. DIV.
DIST. 3

Re: Producing Royalties, Inc.
Payne #4
1790' FNL 790' FEL H-11-29N-12W
San Juan County, New Mexico
Basin Fruitland Coal Gas Pool

30-045-29945

Gentlemen:


Rule 102 C of the New Mexico Oil Conservation Division requires that notice be given to the operator of each existing well that an Application for Permit to Drill is being filed or planned for a new well in the same quarter-quarter section or lot in which there is an existing well.

The subject well is located in the same quarter-quarter section or lot as the Federal PRI #1E well located 1750' FNL 1045' FEL Section 11-T29N-R12W, Basin Dakota Gas Pool.

The enclosed schematic shows the general, not-to-scale, layout of the well pads.

If there are questions, please contact me or Producing Royalties, Inc., Box 1071, Lubbock, Texas 79408-1071.

Yours very truly,


A. R. Kendrick

Enclosure

