

January 31, 1955

Aztec Oil & Gas Co.  
920 Mercantile Securities Bldg.  
Dallas 1, Texas

Re: Aztec Oil & Gas  
#1 Current, NW 11-30-11

Att: Mr. G.B. Williams, Petroleum Engineer

Dear Mr. Williams:

We have been notified by Mr. W.B. Richardson that the above-named well has been scheduled for test beginning February 8, 1955. Testing should be completed by February 24, 1955, and we should have the test shortly thereafter. I presume that your well will be placed on the first proration schedule. It is possible that its allowable will have to be calculated from 15% of the Initial Potential test because we may not have the Deliverability Test in time to use the calculated Deliverability for the first proration schedule.

I would, however, like to clarify a couple of points brought up by your letter. We do not feel that transfer of ownership of a well in any way alters testing requirements. The purchasing company must assume the responsibility for determining whether the wells which they are purchasing have been tested. I gather from your letter that you are under the impression that as the well was scheduled for test by El Paso Natural Gas Co you assumed they should have tested it. El Paso scheduled this well as a purchasing company and it is the operator's responsibility to conduct the Deliverability Test unless other arrangements are made. At any rate, with the well now scheduled I presume it will be placed on the first proration schedule.

Yours very truly

Emery C. Arnold  
Oil & Gas Inspector  
District #3

ECA:ks

cc: Elvis A. Utz, Santa Fe  
Paul Clote, Southern Union, Dallas  
J.M. Stricklin, EPNO, Farmington