

AUSTRAL OIL EXPLORATION COMPANY

INCORPORATED

SAN JACINTO BUILDING

HOUSTON 2, TEXAS

October 3, 1956

NEW YORK OFFICE
630 FIFTH AVENUE
NEW YORK 20, N. Y.

TELEPHONE
CA 8-9461

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Cabot Carbon Company
Box 1101
Pampa, Texas

Attention: Mr. Walter F. G. Stein

Re: State B Lease Well #2 (E-9116)
East Townsend Field
Lea County, New Mexico
(DE 56-4)

Gentlemen:

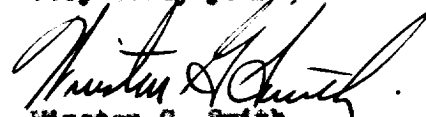
Austral Oil Exploration Company Incorporated has made application to the New Mexico Oil Conservation Commission to drill a well to be located 3690' from the South line and 2200' from the East line of Section 1, T16S, R35E, Lea County, New Mexico. This location is 430.6' East of the West boundary of leases held by Austral in the East one-half of Section 1.

Rule 104 (c), "Well Spacing", requires that location be within 330' of the boundary of a tract of approximately 40 acres. Because of the topographic conditions of the Lea County Air Port runways, it has been necessary to place the above described location less than 330' from the North boundary of the approximately 40 acre tract.

Austral Oil Exploration Company Incorporated is further making application to the New Mexico Oil Conservation Commission for administrative exception to Rule 104 in that the necessity for the unorthodox location is based on the topographic location of the Air Port runways.

This letter is written to advise you, as an offset operator, of Austral's intention to drill an unorthodox location. If you have any questions or any objection to the location, would you please advise us at your earliest convenience.

Very truly yours,


Winston G. Smith
Division Engineer

WGS:fb

cc: New Mexico Oil Conservation Commission, Hobbs, N. M.
New Mexico Oil Conservation Commission, Santa Fe, N. M.

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NEW YORK OFFICE
630 FIFTH AVENUE
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TELEPHONE
CA 5-9687

RECEIVED
AUSTRIAL OIL EXPLORATION COMPANY

TO: [illegible]

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SUBJECT: [illegible]

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