

DATE IN 08/19/13	SUSPENSE	ENGINEER DB	LOGGED IN 08/20/13	TYPE PC	APP NO. PPRG1323230575
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name Shirley Rogers Signature Shirley Rogers Title Staff Regulator Date 8/15/13
 e-mail Address rogerss@conocophillips.com

*See 1/215/36 E
23 Wells/Lea Co.
State F1 wells
ConocoPhillips*

2013 AUG 19 PM 2:35
RECEIVED OGD

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: ConocoPhillips Company

OPERATOR ADDRESS: P O Box 51810, Midland, TX 79710

APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☐ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☐ Yes ☒ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Eunice Monument; GB-SA (23000)	34	37			15BOPD
Hardy; Blinebry (29710)	38				65 BOPD
Hardy; Tubb-Drinkard (29760)	37				65 BOPD

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☐ Metering ☒ Other (Specify) by well test

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Rhonda Rogers

TITLE: Staff Regulatory Tech

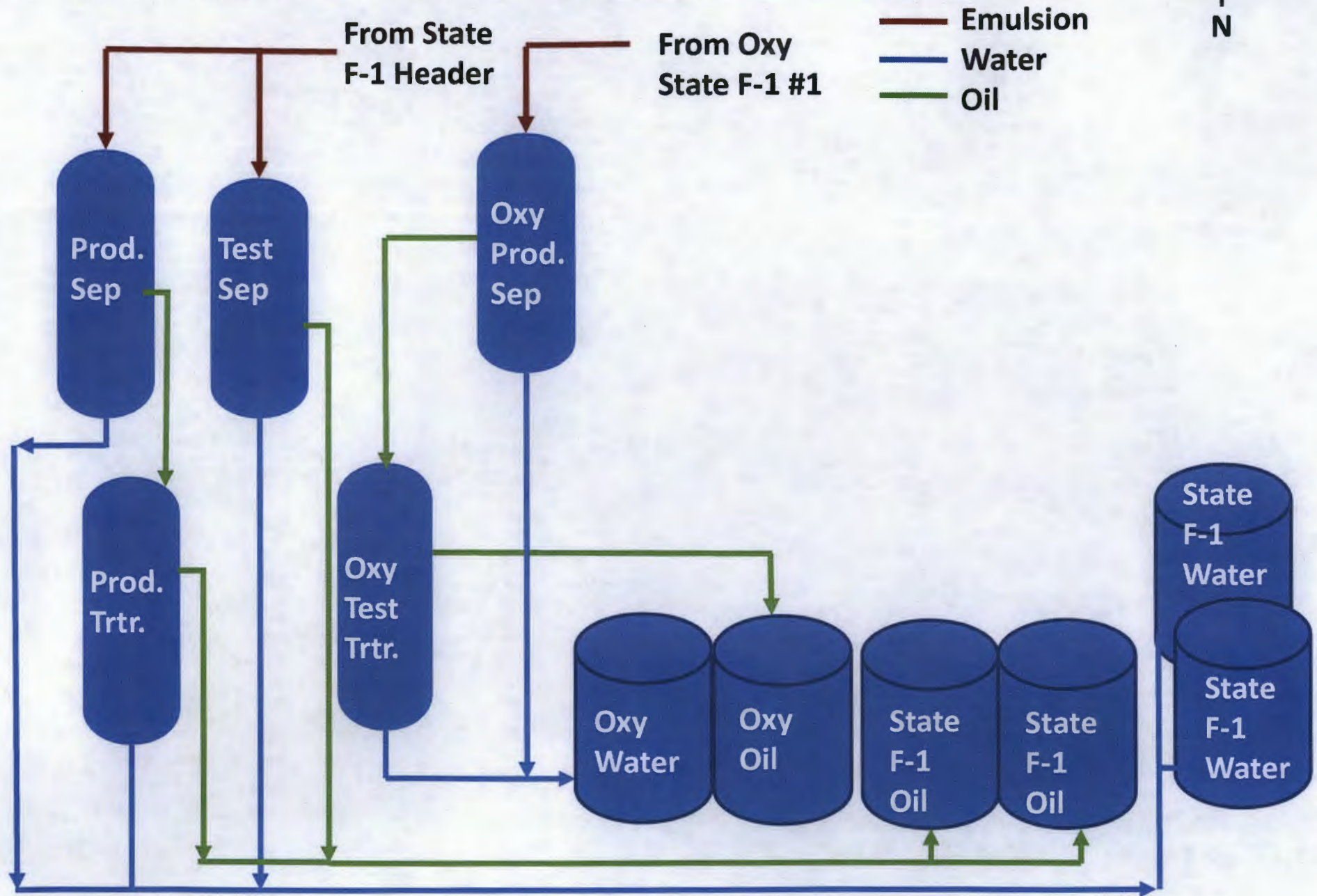
DATE: 8/15/2013

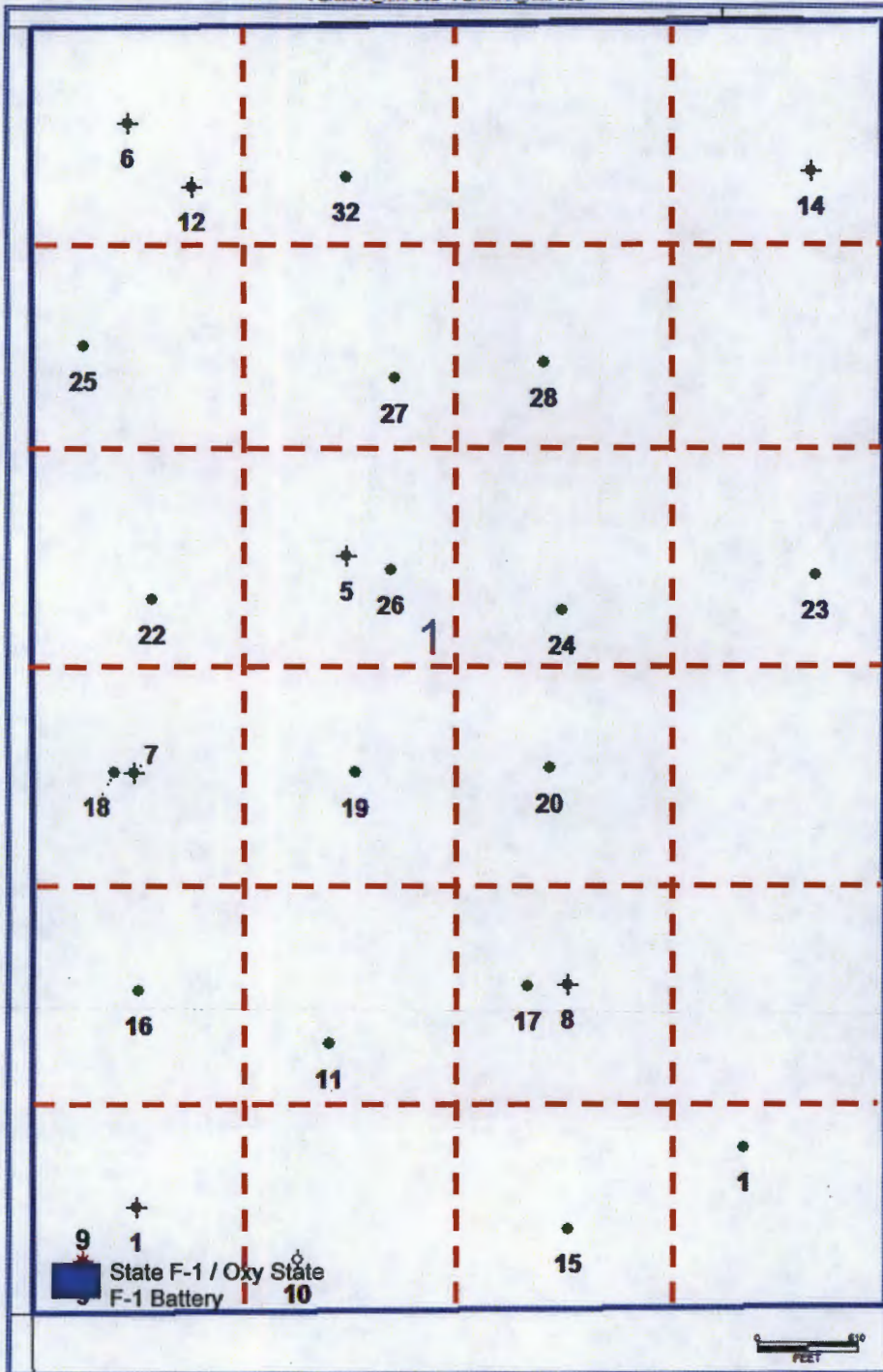
TYPE OR PRINT NAME Rhonda Rogers

TELEPHONE NO.: 432-688-9174

E-MAIL ADDRESS: rogerrs@conocophillips.com

State F-1 / Oxy State F-1 Battery UNIT U, SEC. 1-T21S-R36E





(3)

Lease Number	Lease Name	Well Number	API Number	
31471	STATE F-1	1	3002504433	① ✗ P
31471	STATE F-1	6	3002504437	② P
31471	STATE F-1	7	3002526004	③ P
31471	STATE F-1	8	3002526005	④ P
31471	STATE F-1	9	3002526802	⑤ ✓
31471	STATE F-1	10	3002527034	⑥ ✓
31471	STATE F-1	11	3002535466	⑦ ✓
31471	STATE F-1	12	3002535480	⑧ P
31471	STATE F-1	14	3002535770	⑨ P
31471	STATE F-1	15	3002535771	⑩ ✓
31471	STATE F-1	16	3002538426	⑪ ✓
31471	STATE F-1	17	3002538429	⑫ ✓
31471	STATE F-1	18	3002538430	⑬ ✓
31471	STATE F-1	19	3002538431	⑭ ✓
31471	STATE F-1	20	3002538909	⑮ ✓
31471	STATE F-1	22	3002538910	⑯ ✓
31471	STATE F-1	23	3002538912	⑰ ✓
31471	STATE F-1	24	3002538913	⑱ ✓
31471	STATE F-1	25	3002538914	⑲ ✓
31471	STATE F-1	26	3002539357	⑳ ✓
31471	STATE F-1	27	3002539360	㉑ ✓
31471	STATE F-1	28	3002539361	㉒ ✓
31471	STATE F-1	32	3002539363	㉓ ✓

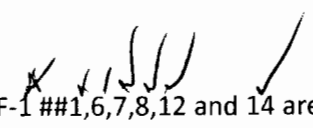
(3)

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31471	STATE F-1	6	3002504437	②
31471	STATE F-1	7	3002526004	③
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31471	STATE F-1	10	3002527034	⑥
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31471	STATE F-1	12	3002535480	⑧
31471	STATE F-1	14	3002535770	⑨
31471	STATE F-1	15	3002535771	⑩
31471	STATE F-1	16	3002538426	⑪
31471	STATE F-1	17	3002538429	⑫
31471	STATE F-1	18	3002538430	⑬
31471	STATE F-1	19	3002538431	⑭
31471	STATE F-1	20	3002538909	⑮
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31471	STATE F-1	23	3002538912	⑰
31471	STATE F-1	24	3002538913	⑱
31471	STATE F-1	25	3002538914	⑲
31471	STATE F-1	26	3002539357	⑳
31471	STATE F-1	27	3002539360	㉑
31471	STATE F-1	28	3002539361	㉒
31471	STATE F-1	32	3002539363	㉓

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, September 12, 2013 3:40 PM
To: 'Rogers, Rhonda S'
Subject: RE: State F1 Wells - Surface Commingling Application

Good Afternoon, Mas Rogers

Thanks for the information. However, I now find that according to OCD records, the State F-1 ##1,6,7,8,12 and 14 are P&Aed. 

Sincerely

David Brooks

From: Rogers, Rhonda S [<mailto:Rhonda.S.Rogers@conocophillips.com>]
Sent: Thursday, September 12, 2013 12:12 PM
To: Brooks, David K., EMNRD
Subject: RE: State F1 Wells - Surface Commingling Application

Good afternoon Mr. Brooks,
I apologize for the marking that the owners have been notified, for we have 100% working interest. I have attached the letter of interest owners and the verification of notification that I forgot to attach to the application. I will mail it to you also if you need me to. Thank you
Sincerely

Rhonda Rogers
CONOCOPHILLIPS COMPANY/MCBU
Staff Regulatory Technician
Phone #: 432-688-9174
Fax #: 432-688-6017
rogerrs@conocophillips.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Wednesday, September 11, 2013 4:29 PM
To: Rogers, Rhonda S
Subject: [EXTERNAL]FW: State F1 Wells - Surface Commingling Application

From: Brooks, David K., EMNRD
Sent: Wednesday, September 11, 2013 3:25 PM
To: 'rogerrs@conocophillips.com'
Subject: State F1 Wells - Surface Commingling Application

Good afternoon, Ms. Rogers

I have examined the referenced application. Since you checked the box on Form C107-B indicating that all interest owners have been notified, I am assuming that ownership is not identical as to all these wells, since notice to owners is not required where ownership is identical.

However, where ownership is not identical the following requirements apply:

Rule 19.15.12.10.C(4)(b) NMAC requires that you furnish a list of all owners to whom notice was sent.

Rule 19.15.12.10.C(4)(c) NMAC requires that you furnish a statement to the owners that if they have any objection to the proposed commingling, they must file that objection with OCD's Santa Fe office within 20 days from the date you application is filed with OCD.

Please furnish the list and statement as required by the above rules so that we can process your application.

Sincerely

David K. Brooks
Legal Examiner

Rules Referenced Above:

(4) Approval process.

(a) In general. Where there is diversity of ownership, the division may grant an exception to the requirements of 19.15.12.9 NMAC to permit surface commingling of production from different leases, pools or leases and pools only after notice and an opportunity for hearing as provided in Paragraph (4) of Subsection C of 19.15.12.10 NMAC.

(b) Application. The operator shall submit an application for administrative approval to the division's Santa Fe office on form C-107-B, which shall contain a list of the parties (interest owners) owning an interest in the production to be commingled (including owners of royalty and overriding royalty interests whether or not they have a right or option to take their interests in kind) and a method of allocating production to ensure the protection of correlative rights.

(c) Notice. The applicant shall notify the interest owners in accordance with 19.15.4.12 NMAC. The applicant shall submit a statement attesting that the applicant, on or before the date the applicant submitted the application to the division, notified each of the interest owners by sending them a copy of the application and the attachments to the application, by certified mail, return receipt requested, and advising them that they must file any objection in writing with the division's Santa Fe office within 20 days from the date the division received the application. The division may approve the application administratively, without hearing, upon receipt of written waivers from interest owners, or if no interest owner has filed an objection within the 20-day period. If the division receives an objection, it shall set the application for hearing. The division shall notify the applicant, who shall give formal notice of the hearing to each party who has filed an objection and to such other persons as the division directs.

Brooks, David K., EMNRD

From: Mail Delivery System <MAILER-DAEMON@messagelabs.com>
To: rogersrs@conocophillips.com
Sent: Wednesday, September 11, 2013 3:25 PM
Subject: Undeliverable: State F1 Wells - Surface Commingling Application

Delivery has failed to these recipients or groups:

rogersrs@conocophillips.com

The e-mail address you entered couldn't be found. Please check the recipient's e-mail address and try to resend the message. If the problem continues, please contact your helpdesk.

The following organization rejected your message: bvlexsme1.conocophillips.com.

Diagnostic information for administrators:

Generating server: server-12.bemta-8.messagelabs.com

rogersrs@conocophillips.com

bvlexsme1.conocophillips.com # <bvlexsme1.conocophillips.com #5.1.1 smtp; 550 5.1.1
<rogersrs@conocophillips.com>... User unknown> #SMTP#

Original message headers:

Return-Path: <david.brooks@state.nm.us>
Received: from [216.82.242.147:27425] by server-12.bemta-8.messagelabs.com id 7E/75-18326-4AFD0325; Wed, 11 Sep 2013 21:24:52 +0000
X-Env-Sender: david.brooks@state.nm.us
X-Msg-Ref: server-16.tower-95.messagelabs.com!1378934691!21600277!1
X-Originating-IP: [164.64.4.99]
X-StarScan-Received:
X-StarScan-Version: 6.9.12; banners=-,-,-
X-VirusChecked: Checked
Received: (qmail 19096 invoked from network); 11 Sep 2013 21:24:52 -0000
Received: from unknown (HELO webmail.state.nm.us) (164.64.4.99)
by server-16.tower-95.messagelabs.com with AES128-SHA encrypted SMTP; 11 Sep 2013 21:24:52 -0000
Received: from CEXMB003.nmes.lcl ([fe80::7d17:4687:daf5:94e9]) by
CEXHUB002.nmes.lcl ([::1]) with mapi id 14.02.0342.003; Wed, 11 Sep 2013
15:24:51 -0600
From: "Brooks, David K., EMNRD" <david.brooks@state.nm.us>
To: "rogersrs@conocophillips.com" <rogersrs@conocophillips.com>
Subject: State F1 Wells - Surface Commingling Application
Thread-Topic: State F1 Wells - Surface Commingling Application
Thread-Index: Ac6vNVnm5SzbmcqPTeOCJJRW+RSf9A==
Date: Wed, 11 Sep 2013 21:24:50 +0000

Message-ID: <F5DFBB2A3519FB46B8A94936528ACC101D53CFE0@CEXMB003.nmes.lcl>
Accept-Language: en-US
Content-Language: en-US
X-MS-Has-Attach:
X-MS-TNEF-Correlator:
x-originating-ip: [164.64.101.73]
Content-Type: text/plain
MIME-Version: 1.0

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Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, September 12, 2013 1:35 PM
To: 'Rogers, Rhonda S'
Subject: RE: State F1 Wells - Surface Commingling Application

Are there any overrides?

David Brooks

From: Rogers, Rhonda S [<mailto:Rhonda.S.Rogers@conocophillips.com>]
Sent: Thursday, September 12, 2013 12:12 PM
To: Brooks, David K., EMNRD
Subject: RE: State F1 Wells - Surface Commingling Application

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Rhonda Rogers
CONOCOPHILLIPS COMPANY/MCBU
Staff Regulatory Technician
Phone #: 432-688-9174
Fax #: 432-688-6017
rogerrs@conocophillips.com

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the division directs.



Rhonda Rogers
Staff Regulatory Technician
Phone: (432) 688-9174

ConocoPhillips Company
P.O. Box 51810
Midland, TX 79710-1810

September 12, 2013

State of New Mexico
Oil Conservation Division
Attn: Mr. David Brooks
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

SUBJECT: REQUEST FOR A SURFACE COMMINGLE FOR THE STATE F 1 LEASE

Dear Mr. Brooks,

Under separate cover we submitted the request mentioned above. As part of that request we wish to include the working interest information.

ConocoPhillips Company hereby certifies that we have 100% Working Interest ownership for all the wells attached and the State is Royalty Interest owner.

A copy of this letter and original application has been sent to the State Land Office. The District office has been sent the original application and a copy of this letter also.

Please see attached copies for verification of notification.

If you have questions regarding this request, I can be reached at 432-688-9174 or via email at rogerrs@conocophillips.com.

Sincerely,

A handwritten signature in cursive script that reads "Rhonda Rogers".

Rhonda Rogers
Staff Regulatory Technician
ConocoPhillips Company

Cc: State Land Office, Santa Fe - w/attachments
OCD District 1 Office, Hobbs - w/attachments

ConocoPhillips Company
MOBU Regulatory
P. O. Box 51810
Midland, TX 79710

ConocoPhillips

State of New Mexico
Commissioner of Public Lands
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148

ConocoPhillips Company
MCBU Regulatory
P. O. Box 51810
Midland, TX 79710



State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

Brooks, David K., EMNRD

From: Rogers, Rhonda S <Rhonda.S.Rogers@conocophillips.com>
Sent: Thursday, September 12, 2013 3:03 PM
To: Brooks, David K., EMNRD
Subject: RE: State F1 Wells - Surface Commingling Application

There are no overriding interest owners. THANKS

Rhonda Rogers
CONOCOPHILLIPS COMPANY/MCBU
Staff Regulatory Technician
Phone #: 432-688-9174
Fax #: 432-688-6017
rogerrs@conocophillips.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Thursday, September 12, 2013 2:35 PM
To: Rogers, Rhonda S
Subject: [EXTERNAL]RE: State F1 Wells - Surface Commingling Application

Are there any overrides?

David Brooks

From: Rogers, Rhonda S [<mailto:Rhonda.S.Rogers@conocophillips.com>]
Sent: Thursday, September 12, 2013 12:12 PM
To: Brooks, David K., EMNRD
Subject: RE: State F1 Wells - Surface Commingling Application

Good afternoon Mr. Brooks,

I apologize for the marking that the owners have been notified, for we have 100% working interest. I have attached the letter of interest owners and the verification of notification that I forgot to attach to the application. I will mail it to you also if you need me to. Thank you
Sincerely

Rhonda Rogers
CONOCOPHILLIPS COMPANY/MCBU
Staff Regulatory Technician
Phone #: 432-688-9174
Fax #: 432-688-6017
rogerrs@conocophillips.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Wednesday, September 11, 2013 4:29 PM

To: Rogers, Rhonda S

Subject: [EXTERNAL]FW: State F1 Wells - Surface Commingling Application

From: Brooks, David K., EMNRD

Sent: Wednesday, September 11, 2013 3:25 PM

To: 'rogersrs@conocophillips.com'

Subject: State F1 Wells - Surface Commingling Application

Good afternoon, Ms. Rogers

I have examined the referenced application. Since you checked the box on Form C107-B indicating that all interest owners have been notified, I am assuming that ownership is not identical as to all these wells, since notice to owners is not required where ownership is identical.

However, where ownership is not identical the following requirements apply:

Rule 19.15.12.10.C(4)(b) NMAC requires that you furnish a list of all owners to whom notice was sent.

Rule 19.15.12.10.C(4)(c) NMAC requires that you furnish a statement to the owners that if they have any objection to the proposed commingling, they must file that objection with OCD's Santa Fe office within 20 days from the date you application is filed with OCD.

Please furnish the list and statement as required by the above rules so that we can process your application.

Sincerely

David K. Brooks
Legal Examiner

Rules Referenced Above:

(4) Approval process.

(a) In general. Where there is diversity of ownership, the division may grant an exception to the requirements of 19.15.12.9 NMAC to permit surface commingling of production from different leases, pools or leases and pools only after notice and an opportunity for

hearing as provided in Paragraph (4) of Subsection C of 19.15.12.10 NMAC.

(b) Application. The operator shall submit an application for administrative approval to the division's Santa Fe office on form C-107-B, which shall contain a list of the parties (interest owners) owning an interest in the production to be commingled (including owners of

royalty and overriding royalty interests whether or not they have a right or option to take their interests in kind) and a method of allocating

production to ensure the protection of correlative rights.

(c) Notice. The applicant shall notify the interest owners in accordance with 19.15.4.12 NMAC. The applicant shall submit a statement attesting that the applicant, on or before the date the applicant submitted the application to the division, notified each of the interest

owners by sending them a copy of the application and the attachments to the application, by certified mail, return receipt requested, and advising

them that they must file any objection in writing with the division's Santa Fe office within 20 days from the date the division received the

application. The division may approve the application administratively, without hearing, upon receipt of written waivers from interest owners, or if

no interest owner has filed an objection within the 20-day period. If the division receives an objection, it shall set the application for hearing. The

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, September 24, 2013 11:26 AM
To: rogerrs@conocophillips.com
Subject: State F1 Wells; Surface Commingling Application filed 8-19-13
Attachments: RE: State F1 Wells - Surface Commingling Application

Good morning, Ms. Rogers

Reference is made to my email communication dated September 12 (copy attached). I am unable to find any response to that communication.

Please advise by next Monday (Sept 30). Otherwise I will cancel the application without prejudice to re-filing.

If I have overlooked a response you have sent, please accept my apologies, and re-send.

Thanks
David K. Brooks

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Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, September 24, 2013 5:13 PM
To: 'Rogers, Rhonda S'
Subject: RE: State F1 Wells; Surface Commingling Application filed 8-19-13

Good evening Ms. Rogers

Thanks for the response.

I do not think I need anything further. I will simply write the order omitting those wells.

Sincerely
David K. Brooks

From: Rogers, Rhonda S [<mailto:Rhonda.S.Rogers@conocophillips.com>]
Sent: Tuesday, September 24, 2013 1:31 PM
To: Brooks, David K., EMNRD
Subject: RE: State F1 Wells; Surface Commingling Application filed 8-19-13

Dear David;

Yes I do show all those wells P&A'd. I am sorry for not responding, I thought you were making a statement. Is there something else I need to do for the wells that are P&A'd?

Thank You
Sincerely

Rhonda Rogers
CONOCOPHILLIPS COMPANY/MCBU
Staff Regulatory Technician
Phone #: 432-688-9174
Fax #: 432-688-6017
rogerrs@conocophillips.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Tuesday, September 24, 2013 12:26 PM
To: Rogers, Rhonda S
Subject: [EXTERNAL]State F1 Wells; Surface Commingling Application filed 8-19-13

Good morning, Ms. Rogers

Reference is made to my email communication dated September 12 (copy attached). I am unable to find any response to that communication.

Please advise by next Monday (Sept 30). Otherwise I will cancel the application without prejudice to re-filing.

If I have overlooked a response you have sent, please accept my apologies, and re-send.

Thanks
David K. Brooks