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Mailing Address: P. O. Box 1299

CHapel 2-3050 CHapel 2-5223

Mally office occ ROYAL DEVELOPMENT COMPANY

VODER BUILDING

PM 12 34

Dec 11, 1959

Mr I R Trujillo Oil Conservation Commission Box 871 Sante Fe, New Mexico

Dear Mr Trujillo:

We are again making application for unorthodox location of the Royal-Ake #3 located 850 feet < from the North Line and 1980 feet from the West-Line of Section 10, T24N, R8W, San Juan County New Mexico, surface elevation 7063.6 feet, and now drilling at around 4000 feet.

Apparently our application mailed December 1 has got lost as per our conversation today.

We are drilling under "Designation of Operator" from the record owners, who will assign this lease (NM 014580) to us upon completion. Roy M Eidal, the operator, is the record owner of the East Half of Section 10, and also the East Half of Section 3 to the North (SF078531) so there will be no conflict with offset owners.

The above location is needed because of topographical and terain conditions. An orthodox location would have been very expensive.

Inasmuch as our first application got lost and the well is now drilling, we will certainly appreciate your early attention.

Sincerely

H E ShiMander

for Roy M Eidal