

El Paso Natural Gas Company

El Paso, Texas

July 18, 1960

REGISTERED MAIL

Mr. Otto V. Reynolds
Post Office Box 402
Bloomfield, New Mexico

Re: Reynolds-Seitzinger #1 Well
T-29-N, R-11-W
Section 23: NE/4
San Juan County, New Mexico

Dear Mr. Reynolds:

According to our records, the captioned Farmington Formation gas well was recently completed by you in the SE/4 NE/4 of Section 23, in which El Paso owns full gas rights from the surface to the base of the Pictured Cliffs Formation. As you do not own the Farmington gas rights under the SE/4 NE/4 of Section 23, it will be necessary for you and El Paso to agree on a satisfactory solution to this matter.

Attached hereto is a plat showing El Paso's working interest ownership in the acreage on which you have filed an application to the Oil Conservation Commission requesting special rules governing the spacing and location of gas wells within the Bloomfield-Farmington Oil Pool.

Please advise immediately of any suggestions or proposals which you may have regarding this matter.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By Sam Smith, Manager
Land Department

SS: JNN:cah

cc: Mr. V. M. Plummer
Mr. H. H. Lines
Mr. Norman Woodruff

cc: Oil Conservation Commission
Of the State of New Mexico

COPY