

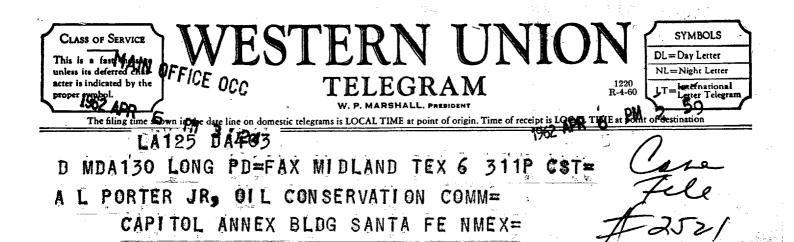
THE WESTERN UNION TELEGRAPH COMPANY

NOTICE REGARDING TELEGRAM

MAIN OFFICE OCC W. P. MARSHALL, PRESIDENT

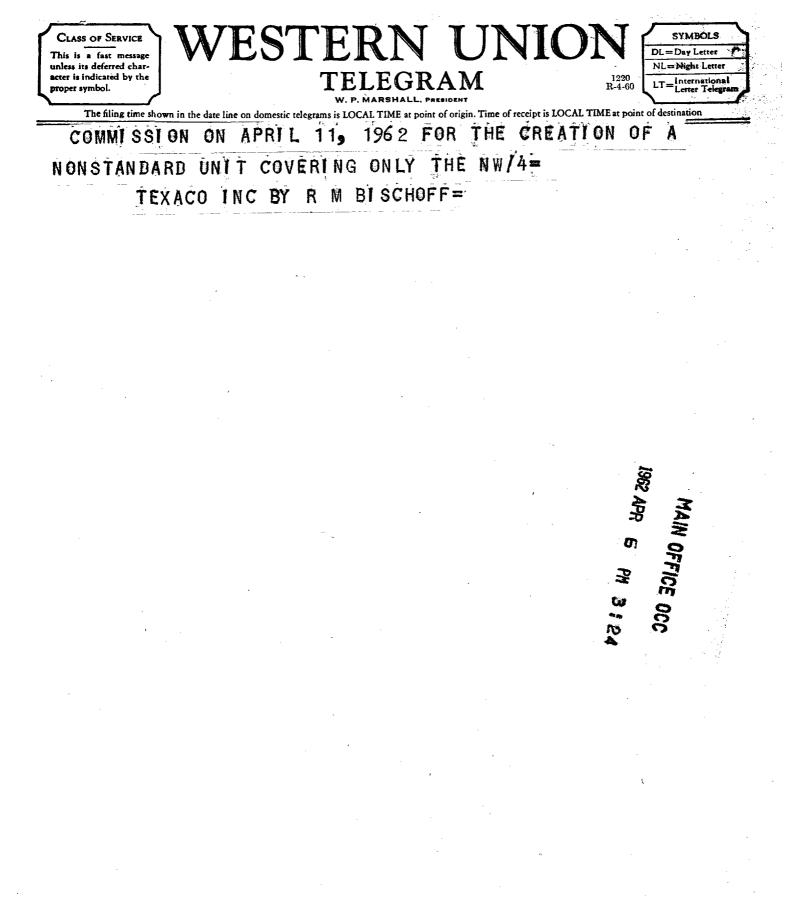
1962 APR 9 PH 1:44 L FRA023 -	SANTA FE NEW MEXICO
DELIVERY NO.	(STREET ADDRESS, CITY AND DATE)
NEW MEXICOOIL CONSERVATION COMM	
SANTA FE, NEW MEXICO.	
Your telegram of <u>APRIL 9</u>	EF FROM PAN AMERICAN PETROLEUM
at FARMINGTON NEW MEXICO. is-u	ndelivered-for-the-following
reason: 3RD LINE SHOULD READ APRIL	. 11, 1962 AND 7TH LINE
SHOULD READ SECTION 23, #T-29-N, R-13-W	
If you have occasion to correct the address originally supplied, please notify	
A charge for the correction or for an entirely be made.	new message, whichever is less, will
т	HE WESTERN UNION TELEGRAPH COMPANY

WU 101 (R1-59)

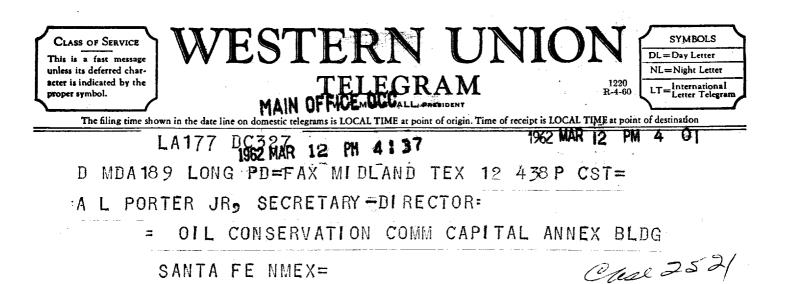


YOUR LETTER OF FEBRUARY 19, 1962 REQUESTED OUR APPROVAL AS A WORKING INTEREST OWNER IN THE GALLEGOS CANYON UNIT TO A NONESTANDARD DAKOTA GAS UNIT COVERING THE NW/4 SECTION 23, TE29EN, RE13EW. YOUR SUBSEQUENT LETTER OF APRIL 2, 1962 NOW PROPOSES THE VOLUNTARY COMMUNITIZATION OF THE N/2 OF SECTION 23 IN THE BASIN BAKOTA ZONE. IN ACCORDANCE WITH THE PROVISIONS OF THE OIL AND GAS LEASES COVERING THIS 320 ACRES THIS WILL ADVISE THAT TEXACO INC IS AWARE OF NO LEGAL BASIS UPON WHICH THIS VOLUNTARY COMMUNITIZATION OF THE N/2 OF SECTION 23 CAN BE ACCOMPLISHED. AS STATED IN YOUR PROPOSED COMMUNITIZATION AGREEMENT, 146.80 ACRES WITHIN THE NE/4 OF SECTION 23 IS COMMITTED TO THE GALLEGOS CANYON UNIT AGREEMENT AND UNIT OPERATING AGREEMENT AS TO THE WORKING INTEREST AND A PORTION THEREOF IS ALSO COMMITTED AS TO ITS ROYALTY INTEREST. IT IS OUR BELIEF THAT A COMMUNITIZATION OF THE COMMITTED UNIT ACREAGE IN THE NE/4 OF SECTION 23 WITH UNCOMMITTED ACREAGE IN THE NW/4 OF SECTION 23 WILL REQUIRE THE UNANIMOUS APPROVAL OF ALL PARTIES TO BOTH OF THE UNIT AGREEMENTS. WE CONTINUE AT THIS TIME IN OUR DESTRE TO SEE ALL OF THE ACREAGE IN THE N/2 OF SECTION 23 COMMITTED TO THE GALLEGOS CANYON UNIT AGREEMENTS. HOWEVER, WE WILL NOT OPPOSE YOUR HEARING BEFORE THE OIL CONSERVATION

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCELNING ITS SERVICE



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REFERENCE PAN AMERICAN PETROLEUM CORPORATION REQUEST OF FEBRUARY 19, 1962 FOR NONSTANDARD DAKOTA GAS UNIT IN NW/4 SECTION 23, T=29-N, R=13-W, TEXACO IS WORKING INTEREST OWNER IN GALLEGOS CANYON UNIT AND OBJECTS TO A PERMANENT NONSTANDARD UNIT. PAN AMERICAN IS IN ERROR AND NW/4 SECTION 23 IS NOT COMMITTED TO GALLEGOS CANYON UNIT AS TO EITHER WORKING INTEREST OR ROY ALTY INTEREST: • TEXACO HAS NO OBJECTION TO ADMINISTRATIVE APPROVAL OF A 6 MONTH TEMPORARY NSP GAS UNIT ON CONDITION THAT PAN AMERICAN COMMITS THIS ACREAGE TO THE GALLEGOS CANYON UNIT AND FORMS A STANDARD 320 ACRE UNIT WITHIN THE 6 MONTH PERIOD=

TEXACO INC BY R M BISCHOFF==

=19 1962 NW/4 23 T=29-N R=13-W NW/4 23 6 NSP 320 6 ...

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCELNING ITS SERVICE