AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING DALLAS, TEXAS 75202

RECEIVED

LAND DEPARTMENT

October 15, 1971

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New Mexico Oil Conservation Commission District Office

P. O. Box 1980

Hobbs, New Mexico 88240

OIL CONSERVATION COMM. HOBBS, N. M.

Attn.: Mr. Joe Ramey

District Supervisor

Re: NM-500

Application for Permit to Drill

State YS Well No. 1 SELSW Section 2 T-20-S, R-33-E

Lea County, New Mexico

Gentlemen:

Pursuant to Section VII of Oil Conservation Commission Order No. R-111-A, I am enclosing herewith copies of our letters, both dated October 7, 1971, addressed to Harroun & Haworth and U. S. Potash and Chemical Company, respectively, together with return receipts showing such letters and their enclosures to have been delivered to the addressees on October 12, 1971. These return receipts should be attached to and made a part of Aztec Oil & Gas Company's Application for Permit to Drill its State YS Well No. 1 at a location 1,980' from the West line and 660' from the South line of Section 2, Township 20 South, Range 33 East, Lea County, New Mexico, which Application, dated October 6, 1971 signed by Lester L. Duke, has heretofore been filed in your office. By way of further support, I am enclosing herewith my Affidavit verifying that the enclosures noted above are true and correct copies of instruments forwarded to the addressees as hereinabove named.

In the event waivers are not received from Harroun & Haworth and from U. S. Potash and Chemical Company within the ten-day period following receipt of their notification of Aztec's intent to drill the subject well, then and in that event please issue the requested permit unless during such period of time a potash operator should file with the Commission its protest of the subject Application.

Yours truly,

Ge E. Starks

JES:bb Enclosures

cc: Mr. Lester L. Duke Aztec Oil & Gas Company F. O. Box 837 Hobbs, New Mexico 88240