



ARCO Permian
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PC-957

January 15, 1998

State of New Mexico
Oil Conservation Commission
2040 East Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. Ben Stone

Re: J. H. Williams #1 Well (660' FSL, 1980' FEL)
J. H. Williams #2 Well (470' FSL, 990' FEL)
Township 19 South, Range 34 East
Section 34: S/2 SE/4
Lea County, New Mexico

Dear Sirs:

ARCO Permian submitted an application to permit surface commingling of the oil produced from the referenced wells. (Copy of letter dated 12/9/97 enclosed). Our Division Order Title Opinion shows common ownership (royalty and working interest) below the base of the San Andres formation.

Very truly yours,

Lee M. Scarborough
Land Director, SE New Mexico

LMS/sb

xc: Chris Williams
State of New Mexico
Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Kellie Murrish
ARCO Permian
P. O. Box 1089
Eunice, New Mexico 88231