



L. P. Thompson
Division Manager
Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

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New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Attention: Mr. A. R. Kendrick

Gentlemen:

AXI Apache "K" Wells 2 and 2A, Section 4, T-26 North, R-5 West Rio Arriba
County, New Mexico

Attached hereto is a revised form C-102 for AXI Apache "K" well No. 2 located in unit B of section 4, T-26N, R-5W Rio Arriba County, in the Blanco Mesaverde Pool. The original acreage dedication plat was filed by Humble Oil & Gas Company predecessor in title to both Continental Oil Company and Aztec Oil & Gas Company in section 4. The original acreage dedication was for the North half section 4. Humble assigned the lease, which consisted of section 3, 4, 9, and 10 through the various conveyances into Arizona Exploration Company who divided the lease horizontally and vertically. The Dakota rights were assigned to Amoco Production Company. The rights above the Dakota were assigned to Aztec as to West half section 4, West half and Southeast quarter section 9, and West half section 10. Continental Oil Company was later assigned the remainder of the lease.

We assume that Aztec, upon drilling their well, dedicated the half section remaining after Humble's dedication to its No. 2 well. At that time actual ownership of the acreage was not of great consequence since each company owned a $\frac{1}{2}$ section. Now that an additional well is authorized on each 320 acre proration unit the second well on each unit does make the acreage dedication important, since the second well on each of our proration units would be on property owned by the other company.

By carbon copy of this letter we are requesting the Aztec Oil & Gas Company make a companion rededication filing so that the records in the office will be consistent.

Yours very truly,

L. P. Thompson
Division Manager

VTL:dlh

CC: Aztec Oil & Gas Company - Farmington, NM
USGS - Durango
Exxon - Oklahoma City
Southern Union
SRH

