

Roy M. Eidal, Owner
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Business Manager

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ROYAL DEVELOPMENT COMPANY

616 CENTRAL AVENUE S E
ALBUQUERQUE, NEW MEXICO

November 13, 1957

Mr. Emery C. Arnold
Supervisor, District #3
N. M. Oil Conservation Commission
120 East Chaco
Aztec, New Mexico

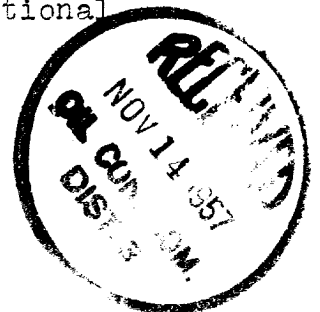
Dear Mr. Arnold: Subject: Royal #1 Douthit
SE SE Section 33
T-28-N, R-13-W

Replying to your letter of November 7, we are enclosing the following:

- (1) Copy, in duplicate, of our Notice of Intention to drill the above well.
- (2) Two copies of Survey, which was prepared, signed and sealed by James P. Leece, as filed with U.S.G.S., together with what seems to be a new form for the same purpose (enclosed in quadruplicate). The acreage dedicated to this well is the SE/4, containing 160 acres.
- (3) Form C-110 in quintuplicate.
- (4) Form C-104 in quadruplicate.

No contract for the sale of gas or oil from this well has as yet been signed, although we anticipate we will sign up with El Paso, at least for the gas.

We also enclose copy of the potential test made by Mr. W. G. Stiles of Geo Electric, Inc. Will additional copies of this test report be necessary?



Mr. Emery C. Arnold

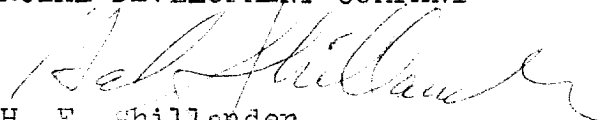
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11/13/57

Would appreciate knowing if the enclosures will serve to protect this lease from expiration by virtue of the discovery and proof of ability to produce, even though waiting a pipe line hook-up.

Sincerely,

ROYAL DEVELOPMENT COMPANY



H. E. Shillander

hes/hs
Encl.