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June 21, 1973

ALBUQUERQUE ASSOCIATE
QUINCY D. ADAMS

BENJAMIN K. HORTON
KARL T. WERNER

Mr. Emery Arnold Oil Conservation Commission 1000 Rio Brazos Road Aztec, New Mexico

Re: Federal 2-11 Dakota Gas Well

New Mexico Lease Number 0338690 Fractional Section II, T28N, RI3W San Juan County, New Mexico

Dear Mr. Arnold:

In reply to your request for five copies of Form C-104, Change of Operator for the above-entitled well, I wish to advise you that I already submitted these forms to Mr. Nutter in Santa Fe. But in case they have been misplaced, I am submitting a new original and four copies. We are awaiting the New Mexico Oil Conservation Commission's decision to amend Order #R-1814 to provide for the dissolution of the 344.28-acre non-standard unit. This unit comprises all of partial Section II plus Lot 4 and the SW/4 SW/4 or partial Section I2, T28N, RI3W, Basin-Dakota Pool, San Juan County, New Mexico. I have applied for the creation of a 275.36-acre non-standard unit comprising all of partial Section II only to be dedicated to my Federal well #2. This was heard by Mr. Nutter, the examiner on May 9, 1973 as case #4968.

If you need any further information, please call me collect. As we have been working now over six months trying to get the 2-II onto production, I have also received my purchase contract from EI Paso Natural Gas and the FPC, but I cannot get U.S.G.S. approval until Order #R-1814 has been amended.

Your cooperation and assistance are appreciated.

With kindest regards,

Benjamin K Hortz

Benjamin K. Horton

BKH:gam

cc: Mr. Dan Nutter

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P.S. The U.S.G.S. gave my Farmington operator agent, Mr. Doyle Baxter, a permit to rework this well, which we are now doing.