

Executive Offices

# Colorado Western Exploration, Inc.

312 U. S. National Bank Building

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DENVER 2, COLORADO

PHONE AMHERST 6-1306

April 11, 1957

Mr. Emery C. Arnold  
Supervisor, District #3  
120 East Chaco  
Aztec, New Mexico

Dear Sir:

Your letter of March 25, 1957 is acknowledged, wherein you notified us that you were holding our form C-110, authorization-to-transport form, pending notification of communitization of the E $\frac{1}{2}$  of Section 2, Township 31 North, Range 13 West, San Juan County, New Mexico.

As you know, the state has been holding up agreement to communitize the S $\frac{1}{2}$  SE $\frac{1}{4}$  pending receipt of an executed communitization agreement. Be advised that this communitization agreement has been executed by all parties in interest with the exception of the State, and has been delivered to the Commissioner of Public Lands for their execution prior to their delivery of the final completed documents to the New Mexico Conservation Commission, in order that we may receive the assignment of an allowable based on a 320-acre unit. We expect momentarily to receive notification that this communitization agreement has been approved, and we will then be permitted to sell our gas based on a 320-acre unit.

In the event you have not received such a notification within the next week, would you please check with your office in Santa Fe for authority to forward the form C-110?

Be advised that we are planning to commence in the very near future a well to be located in the approximate center of the SW $\frac{1}{4}$  of Section 2, which will be known as the No. 1 Jaquez. The State also holds a 40-acre tract under this W $\frac{1}{2}$  of Section 2, and we are in the process of preparing a communitization agreement for this property at this time.

Should there be any further questions with respect to receiving an allowable for the No. 1 Chavez and with respect to our plans for drilling the No. 1 Jaquez, please contact us immediately.

Yours very truly,

COLORADO WESTERN EXPLORATION, INC.



Harry A. Trueblood, Jr., President

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