New Mexico Oil Conservation Commission 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO

September 25, 1959

Rhine Petroleum Industries of Utah P.O. Box 361 Chama, New Mexico

Attn: Mr. Paul Harr

Dear Mr. Harra

We have just received Notice of Intention to Drill on your #2 Estate of Eduard Sargent well located 475 feet from the North and 321 feet from the East lines of Section 8-32N-3E.

New Mexico Oil Conservation Commission Rules and Regulations require that a well be located no closer than 330 feet to the boundary line of the 40-acre tract on which it is located. Your location is therefore non-standard in the amount of 9 feet.

The property of it would be possible for you to move your location white fold with in order that it might be a standard location in this location and production is secured it will be necessary to hold a hearing before the Oil Conservation Camilleton for approval of the location before oil oxild be produced.

Vill you please advise.

Yours very truly

Emery C. Arnold
Supervisor, District #3

MCA : les