NATURAL RESOURCES GROUP Exploration and Production

December 11, 1984

RE: Leasehold Production Requirements
Atlantic State No. 1 (State Lse L-4050)
Unit N, Sec. 4, T-17-S, R-28-E,
Eddy County, New Mexico
E. L. Latham, Jr. - Operator
Artesia Plant/Systems Gas Well Gas
Proration by Shut-In,
Eddy County, New Mexico

Mr. E. L. Latham, Jr. P.O. Box 1392 Hobbs, NM 88240

Attn: Mr. Latham:

Reference is made to your request of December 10, 1984 and our notice of gas well gas proration dated September 4, 1984.

In order to maintain your leasehold production status, this is to advise that Phillips will take a maximum of 50 Mcf/Day of produced gas from the Atlantic State No. 1 on December 16 and 17, 1984. It is understood that this production will be sufficient to hold your lease for the 90-day production periods ending December 16, 1984 and March 16, 1985.

It is requested that you contact Don Laird - Artesia Plant Superintendent (505) 677-3154 prior to the designated production dates in order to coordinate the flowing of the captioned well under these criteria.

Cordially yours,

J. W. Mahard

JWM/adk REG3.1/lease1

cc: NM Oil Conservation Division
Drawer DD
Artesia. NM 88210

New Mexico State Land Office Box 1148 Santa Fe, NM 87501 Don Laird (Phillips' Artesia Plant) (Meter No. 75065)

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O. C. D.
ARTESIA, OFFICE