## 704 Western United Life Building Midland, Texas 79701

August 26, 1970

REGEIVED

160 2 C 1970

O. D. D.

The Oil Conservation Commission State of New Mexico Drawer DD Artesia, New Mexico

## Gentlemen:

Under separate cover we have filed Form C-104, Request for Allowable, on our recently completed ARCO-Federal #1. This well is located 660' FNL and 810' FWL, Section 5, T-18-S, R-31-E, Eddy County, New Mexico.

The nearest comparable production is in the Grayburg-Jackson Pool located approximately one mile to the North. However, several dry holes, drilled through the equivalent producing zone and lying between the ARCO-Federal #1 and this pool, are possible evidence of a new common source of supply.

At the present time, we are studying the geological interpretation of the area. Also, we would like to observe the immediate production performance of the well. Within approximately thirty days, if we are of the opinion that a new pool has been discovered, we respectfully request permission to file the required information for your consideration.

This well first produced new oil from the presently completed zone on August 18, 1970. By this letter, we wish to protect our rights to discovery allowable until such time as formal application is made.

Yours very truly,

THE EASTLAND OIL COMPANY

George D. Neal

GDN: kjd

and the second s

en de la composition La composition de la La composition de la

A CONTRACT OF THE CONTRACT OF

The Common Comm

ing some of the second of the

为政策等 化类化物 医电影

garage and the second second