

March 8, 1968

As shown by the attached Form C-101 ("Notice of Intention to Drill") we are filling for a 9300' Mississippian oil test and dedicating it to the NE/4 of the SW/4 of Section 22, T-20-S, R-24-E, Eddy County. Our major objective is the Cisco-Canyon oil zone in the Pennsylvanian that has produced oil in several wells a few miles northeast of subject location.

We are aware of the N.M.O.C.C. spacing rules of 40 acres per well for oil unless approved otherwise and the need to communitize at least 160 acres consisting of the SW/4 if a gas well younger than Pennsylvanian should result and 320 acres consisting of the S/2 if Pennsylvanian or older gas is discovered.

H. T. HILLIARD

A handwritten signature in cursive script, appearing to read "J. B. Taylor".

J. B. TAYLOR

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RECEIVED
MAR 11 1968
COUNTY CLERK
EDDY COUNTY