

September 30, 1938

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U. S. O.
GENERAL OFFICE

United States Department of the Interior
Geological Survey
P.O. Drawer 1007
Roswell, New Mexico 8620

Attention: Mr. John Anderson
Regional Oil & Gas Supervisor

Re: J.M. Huber Corporation
Leases Federal #1, NW-34821
Eddy County, New Mexico

Gentlemen:

The above captioned lease contains 320 acres described as 3/2 of Section 32, T-28-N, R-29-E. We hereby request your approval for temporary sale of gas to Big West Drilling Company, 1714 Commerce Building, Fort Worth, Texas. This gas is to be used to run engines on rotary rig for drilling Pan American's Big Eddy Unit #13 located in Section 3, T-31-N, R-28-E, Eddy County, New Mexico. This gas is to be sold at the well head to Big West Drilling Company for \$75.00 per day from date of connection to date disconnected, estimated to be for 60 to 90 days. The \$75 per day is based on running three 438 HP engines estimated to consume 10 cubic feet per HP per hour, or a maximum of 330 MCF per day. The actual consumption is estimated to run between 200 and 400 MCF per day. This results in more than 20¢ per MCF. Condensate produced during sale of this gas will be sold to The Permian Corporation for \$1.00 per barrel, less 12¢ for trucking.

We respectfully submit the above information for your consideration and approval.

Very truly yours,

J.M. HUBER CORPORATION

Clayton A. Roade
General Production Supt.

FLN:mt

cc: New Mexico Oil Conservation Commission
P.O. Drawer 100
Artesia, New Mexico 86210
Attn: Mr. W.A. Greaser

