



**Amoco Production Company**

500 Jefferson Building  
P.O. Box 3092  
Houston, Texas 77001

March 23, 1973

REGISTERED MAIL-RETURN RECEIPT REQUESTED

Duval Corporation  
P. O. Box 511  
Carlsbad, New Mexico 88220

Attention: Mr. Karl Elers  
Gentlemen:

Subject: EA - 45,859  
Barber Area  
Eddy County, New Mexico

Amoco proposes the formation of a gas unit covering the Morrow formation under all of Section 21, T-20-S, R-30-E and the drilling of a 12,500' Morrow formation test at a location thereon approximately 1,650' from the South line and 1,650' from the East line of Section 21, with Amoco to be Operator. The Communitization Agreement will require approval by the U. S. Geological Survey. Attached is Plat dated 3-20-73 covering Section 21 with respect to oil and gas leaseholds and the proposed location.

All of Section 21 is federal and subject to oil and gas leases held as follows:

W/2 jointly owned by Continental Oil Company, Atlantic Richfield Company, Chevron Oil Company and Amoco.

NE/4 owned by Amoco.

SE/4 owned by John H. Trigg.

We have contacted Conoco, Arco, Chevron and Trigg and all have indicated they will participate in the proposed well and unit.

Section 21 lies within the Potash-Oil Area as defined by Section 11 of New Mexico Oil Conservation Commission Order No. R-III-A. Potash lease owners in the immediate vicinity, according to Federal Abstract Company, are indicated on the attached plat dated 3-23-73, which plat is furnished you in compliance with Section VII of Order No. R-III-A. Potash leases within one mile of the proposed location shown on said plat are held by Duval Corporation and Ideal Basic Industries, Inc.

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