12-23-27

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O. C. C. ARTABIA, DEVICE

PETROLEUM PROPERTY MANAGEMENT

HMH OPERATORS BUITE 105 CENTRAL BUILDING MIDLAND, TEXAS 79701 MU 4-8011

SAM E. HILBURN Robert B. Morris C. Clyde Hamblin

January 30, 1969

Mr. W. A. Gressett Oil Conservation Commission P. O. Drawer DD Artesia, New Mexico 88210

well File

Re: Our Pardue Lease, Unit M, Section 12, T-23-S, R-27-E, Eddy County, N.M.

Dear Mr. Gressett:

This will confirm our telephone conversation this date regarding the Transporter of oil from the captioned lease.

On November 4, 1968, we forwarded the original and three copies of Form C-104 designating a change in transporter, effective November 1, 1968, from The Permian Corporation to Scurlock Oil Company. By a carbon copy of this form, Permian was given written notice of this change.

On November 6, 1968, you approved this change on behalf of the New Mexico Oil Conservation Commission. Somehow, Permian's field personnel were not informed of this change, and on December 10, 1968, their driver picked up a 226 barrel load of oil from this lease. Upon learning of this, we contacted Permian and were advised they would reinstate the lease for the month of December, pay our owners as usual, and then terminate their connection. Subsequently, in a conversation with Mr. Rod Fulson in Permian's Proration Department we were advised the refiling of a C-104 would be unnecessary.

We assumed Permian would show this load of oil on the forms they file with the Commission, and for this reason Permian was listed as the transporter on the C-115 we filed for the month of December.

Should you need a corrected C-115, or an additional C-104, please advise, and we shall be pleased to furnish same. Thanking you for the courtesy extended us, we are

Yours very truly,

HMH OPERATORS

Cleby de Hambhi

C. Clyde Hamblin

CCH/dm CC to Scurlock Oil Company Permian Corporation