Colorado Western Exploration, Inc.

ATIONAL BUILDING 2, COLORADO

. AMHERST 6-1306

Mr. Emery C. Arnold, New Mexico Oil Conservation Commission, 120 East Chaco, Aztec, New Mexico. July 18, 1957

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Dear Mr. Arnold:

We are still somewhat confused by what your requirements are to complete the additional paper work necessary to satisfy the State on the Government-Cain #1, which was originally drilled and completed by the New Drilling Co., Inc. As you will probably recall from past correspondence, this company is now the operator of this property and we are doing our best to fulfill the various requirements needed to be completed, so that we can sell our gas.

To review what we have previously sent you, we forwarded a copy of the Well History, which was sent to the U.S.G.S. and sent you a copy of the Application to Drill and Acreage Dedication Plat, which was originally filed by the New Drilling Company, Inc. We have also sent you a copy of a letter addressed to Mr. Porter, which also included a Schematic Sketch of the well hookup. Be advised that we will dedicate 320 acres all of which is owned and operated by this company to both a Mesa Verde completion and a Dakota completion. We are of the opinion that any spacing less than this amount will be uneconomical in the Dakota, based on what we have seen to date.

In view of the above we herewith present another set of Form C-1285, which indicate our intentions of dedicating the said (E/2 of Sec. 25, T31N, R13W) in which the Government-Cain is located to the Dakota horizon. We have taken the liberty of replacing the name of the New Drilling Co. with our own as operator, and have dated the Acreage Dedication Plat as of this time.

Are there any other requirements which you may have prior to releasing and approving our Form C-110?

Yours very truly,

COLORADO WESTERN EXPLORATION, INC.

Harry A. Trueblood, Jr., President

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