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NEIL H. WILLS

P. O. BOX 529

CARLSBAD, N. M.

July 28,
1942

New Mexico Asphalt & Refining Company
Artesia, New Mexico

Attention: Mr. Walter P. Luck

Dear Sir:

I am enclosing a copy of a letter from Mr. Ernest A. Hanson, Supervisor, Oil & Gas Operations, U. S. Geological Survey, which is self-explanatory. For your information, Leases 029096 (a) and (c) are the Colglazier lease in Section 20, Leases 029171 (a) and (c) are the Keyes Lease in Section 15, and Lease 060150 is the Hargrave Lease in Section 15, all in T 20 S, R 30 E, Barber Area, Eddy County, New Mexico.

In the Barber Area, production is found from porous lime members of the basal Yates sand formation. There is a negligible quantity of gas produced with the oil, and as a result there are no flowing wells in the area. Pushing the oil into the hole and towards the surface is an apparently inexhaustible water drive of "sulphur" water. In my opinion as long as a barrel of sulphur water replaces a barrel of oil that is taken from the pay, the rate of production could be increased to 500 bbls. per day, or greater, without injury to the reservoir and without physical waste.

As an operator in the area, there can be no objection on my part to the establishing of a special allowable of 100 bbls. daily for each 40-acre producing unit, if, in the opinion of the New Mexico Oil Conservation Commission, such a rate is necessary and desirable.

Very truly yours,

Neil H. Wills

NHW/lr