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FAX MEMORANDUM

RECEIVED

NOV 5 1990

EXPL. & DEVEL.

DATE: November 1, 1990

TO: William T. Duncan
Exxon Company, USA
Post Office Box 1600
Midland, Texas 79709
FAX NO. (915) 688-7554

James Bruce, Esq.
Hinkle, Cox, Eaton, Coffield & Hensley
500 Marquette NW, #740
Albuquerque, New Mexico 87102
FAX NO. (505) 768-1529

Gentlemen:

For a number of months, Pacific Enterprises Oil Company has attempted to obtain Exxon's voluntary participation in a 320-acre spacing unit consisting of the E/2 of Section 16, T17S, R31E, N.M.P.M., Eddy County, New Mexico.

One of the issues has been the required spacing in the event of production from any of the Pennsylvanian age pools. Because of the proximity of this acreage to the Fren-Penn Pool which set Pennsylvanian aged production on 160-acre spacing, Exxon took the position that a 320-acre unit could not be established for this well proposed by Pacific.

Enclosed is a copy of Order R-9333 which immediately puts the Fren-Penn Pool on 320-acre spacing. Accordingly, on behalf of Pacific, I request you advise me before Tuesday, November 6, 1990, if Exxon will participate in the well. If Exxon is unwilling or unable to participate, then I will file a pooling case to be heard on November 28, 1990.

PEC 17
10162

I am informed by Pacific, that Exxon has been provided with all of the information including AFE for the well from which to make its decision on participation.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'W. Thomas Kellahin', with a large, stylized flourish extending from the end of the signature.

W. Thomas Kellahin

WTK/tic

cc: Craig Clark
Pacific Enterprises Oil Company (USA)
FAX NO. (915) 684-6426