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November 12, 1987

Case 9272

Mr. James R. McCrory
P. O. Box 25764
Albuquerque, New Mexico 87215

"Certified"

Return-Receipt Requested

Re: Mitchell Energy Corporation
Application for Compulsory Pooling

Car

Dear Mr. McCrory:

On November 10, 1987, we sent you a copy of the application and cover letter (see enclosures) by which we requested the New Mexico Oil Conservation Division to set a hearing on December 2, 1987 to consider the compulsory pooling of various interests in the N/2 of Section 3, T15S, R35E, Lea County, New Mexico, including those in the estate of William Thomas Reed.

I have been informed today by Mitchell Energy that while they have received a signed AFE from you for your individual interest in the N/2 of this Section it is also necessary for you to sign an operating agreement and make acceptable arrangements with them for the payment of your share of the costs of the well.

Because that has not been done, and in the event it is not done, then by this letter we are notifying you that we will attempt to pool your individual interest at the hearing on December 2, 1987. I am told your interest is .0051839 in the N/2 spacing unit and that you do not have an interest in N/2NW/4 or NE/4NW/4 of that Section.

Should you have any questions about this matter, please call Mr. Larry Cunningham of Mitchell Energy Corporation at (915) 682-5396.

Very truly yours,

Original signed by
W. THOMAS KELLAHIN
W. Thomas Kellahin

WTK:ca
Enc.

cc: ✓ Oil Conservation Division
Mr. Larry Cunningham