SOUTHERN PETROLEUM EXPLORATION, INC.

Box 1017 ROSWELL, NEW MEXICO

August 13, 1957

GEOLOGICAL AND LAND DEPARTMENT

AIR MAIL

Mr. R. F. Montgomery Proration Manager New Mexico Oil Conservation Commission P. O. Box 2045 Hobbs, New Mexico

Re: State Lease E-1565

Dear Mr. Montgomery:

We have your letter to us of August 7 returning to us our attempted report on C-128 in triplicate.

We are returning the same form: showing the designated acreage to our State 1-F well located in the NE/4 SW/4 of Section 10, Township 11 South, Range 33 East.

The reason for returning to you the same form with the west forty acres eliminated is that we are not in possession of C-128 forms although we have made several attempts to get these forms. The present forms were furnished by Mr. John West, the engineer and land surveyor who made the location, and we trust that these will suffice. If they do not, please send us at least one hundred of Form C-128 so that we can have Mr. West make new forms in accordance with your requirements.

We wish to add that in designating the entire lease which is the N/2 SW/4 of Section 10, Township 11 South, Range 33 Hast, that there was no intention whatsoever to include the entire eighty acres as a well space for our State 1-F well. As a matter of fact, we do not wish to do so. However, to be a stickler to rules and regulations, we wish you to have the proper form and made out properly and trust the enclosed will satisfy your requirements. The State lease does cover the entire eighty acre tract being the N/2 SW/4 of Section 10 and we concluded that the location would protect the lease in case of production. This we do desire.

At any rate, will you kindly send us a number of at least one hundred C-128 forms as we have several wells to be drilled in the near future.

Thanking you for pointing out this error to us and trusting that the present form as corrected will be satisfactory for your purposes. We enclose the same form in triplicate.

Yours very truly,

+1

SOUTHERN PETROLEUM EXPLORATION, INC.

Headley

JBH: cw

1 Encl. - Form C-128 (trip.)