

UNITED STATES

GEOLOGICAL SURVEY

Artesia, New Mexico

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May 7, 1956 The Open T

Murphy H. Baxter 107 Allen Building Midland, Texas

Re: 011 and Gas Lease LC 070311

Attention: Mr. L. M. Jobe

Gentlemen:

Receipt is acknowledged of your notice of intention to plug and abandon your well No. 1-13 Turner located in the SV-NWA, section 13, T. 20 S., R. 33 E., N.M.P.M., Teas Pool, Lea County, New Mexico, and to drill well No. 2-13 Turner located in the SW-NWA, section 13, T. 20 S., R. 33 E., N.M.P.M.

In reply to your question regarding the status of lease Las Cruces 070311, which is being held by production, pending the completion of well No. 2, your attention is called to paragraph 192.121, Continuation of lease on termination of production, Code of Federal Regulations (1954 Revision), Title 43-Public Lans, Oil and Gas Leases, Page 377, section (a) which reads as follows, "A lease which is in its extended term because of production shall not terminate upon cessation of production if, within 60-days thereafter, reworking or drilling operations on the leasehold are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction." The above section (a) is self explanatory.

Subsequent to the drilling of the initial wells several years ago, a large portion of the Teas Pool is now within the Potash-Area and all drilling and plugging operations shall comply with the provisions of New Mexico Oil Conservation Commission Order R-111-A, copy attached.

We are returning herewith your sundry notices for re-submission and/or correction to conform to the above Order No. Relli-A.

Very truly yours,

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John A. Frost District Engineer

Copy to: USGS, Carlsbad NMOCC, Artesia

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GEOLOGICAL SURVEY

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