

July 6, 1955

AIR MAIL

Mr. J. Don Hudgens Box 1895 Hobbs, New Mexico

> Re: Southern Petroleum Exploration, Inc. TSO State #1 Well NW/4 NE/4 of Sec. 29-205-368, Les County, New Mexico

Dear Mr. Hudgens:

The Conservation Commission office called me yesterday and wanted the confusion regarding the above described well straightened out. I gave them a report of our transaction.

Nevertheless, they stated they would have to have some instruction or order or commitment from you that you would take the responsibility of plugging the hole of this well if you have drilled out the plugs that we set; that they could not approve our C-103 report nor your C-101 report until this is done; that it would be satisfactory if you would sign one copy of the enclosed letter to the Commission sending it to their office.

I am, therefore, enclosing two copies of the letter to the Commission and one copy of our C-105 report for your information. Please sign one copy of the letter and send it to the Commission; the other is for your file.

Please advise me when this is done and I shall also appreciate some report on what you have done on the well.

Yours very truly,

J.) B. Headley

JBH:cw

2 Encls.: Encl. #1 - cy. Ltr. (dup.) Encl. #2 - cy. report

cc: New Mexico Oil Conservation Commission Box 2045 Hobbs, New Mexico

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SOUTHERN PETROLEUM EXPLORATION, INC.

Box 1017 ROSWELL, NEW MEXICO

July 5, 1955

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GEOLOGICAL AND LAND DEPARTMENT

AIR MAIL

New Mexico Oil Conservation Commission Box 2045 Hobbs, New Mexico

> Re: Southern Petroleum Exploration, Inc. TSO State No. 1 Well NW/4 NE/4 of Sec. 29-205-36E, Lea County, New Mexico

Gentlemen:

In compliance with your instructions, we enclose six copies of our C-105 report on the before described well which completes all the information we have to the plugging record submitted to you on C-103 on June 28, 1955.

This is to further amplify our air mail letter to you of this date explaining we had made a transaction with Mr. J. Don Hudgens, Box 1895, Hobbs, New Mexico, to take over the well after it was plugged. His intentions may be noted in our letter of this date and in his C-101 report he has made to you. It is presumed that Mr. Hudgens has started this work and in doing so relieves us of any responsibility of the plugging of the well as it becomes his responsibility if he is convinced it is a dry hole to replug the well in accordance with rules and regulations of the New Mexico Oil Conservation Commission.

In order that you may approve our C-103 report of plugging and also approve Mr. Hudgens' C-101 report of work to be done, Mr. Hudgens hereby agrees to accept responsibility to you by signing a copy of this letter which is being sent to him. Otherwise Mr. Hudgens would be performing work with no State authority whatever.

On receipt of his signed copy of this letter, we believe your records and files can then be put in order.

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New Mexico Oil Conservation Commission - 2 - July 5, 1955 Re: SPX-TSO State No. 1 Well

Thanking you for your courtesies and your consideration.

Yours very truly,

SOUTHERN PETROLEUM EXPLORATION, INC.

J. B. Headley

JBH:cw

1 Encl. - Form C-105 (6 cy.)

2 Air Mail CC: Mr. J. Don Hudgens J. Don Hudgens, Inc. Box 1895 Hobbs, New Mexico

## FOR MR. J. DON HUDGENS

The before written letter is approved by me and to test the well described therein, I take responsibility of plugging the same in accordance with rules and regulations of the New Mexico Oil Conservation Commission if found to be non-productive.

J. Don Hudgens

Date