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Box 522
Carlsbad, New Mexico
July 15, 1935

Mr. Frank Vesely
Commissioner of Public Lands
Santa Fe, New Mexico

Dear Sir:

Mr. J. C. Creeden, Division Superintendent of The Skelly Oil Company, called me and asked for permission to drill their State B Well #4 in Sec. 16, T. 21 S., R. 36 E. Mr. Creeden wants to know about making a center of forty location in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of this section.

The Repollo Adkins Well #3 off-sets this proposed well of The Skelly Oil Company to the north. The Repollo Adkins #3 is a 330 location in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Sec. 9, T. 21 S., R. 36 E.

The Skelly Oil Company is very interested in drilling in the center of the forty acres, however, they want assurance from the Commissioner of Public Lands that the State will not require them to off-set the Repollo Adkins #3 with a 330 location in the future.

At this time the State, under the Proration Agreement, allows one well to a forty acre tract and I am of the opinion that center forty locations in this matter would be desirable.

Mr. Creeden is going to send me all of the necessary forms that will need to be forwarded to the Commissioner of Public Lands.

For your information, I am enclosing herewith a plat of the locality showing the location of the Repollo Adkins #3 and the proposed Skelly B #4.

Very truly yours,

FJV:t

Enc.

State Oil & Gas Inspector.