NEVILLE (C) PENROSE INC. FAIR BUILDING FOC 000 FORT WORTH 2. TEXAS NEO SEP 11 PM 2:52 September 10, 19562:52

Oil Conservation Commission Box 2045 Hobbs, New Mexico

Attention: Mr. Randall Montgomery.

Re: Elliott-Hinton [#]1 Gas Unit, NW/4 Section 12-22S-37E, Lea County, N.M.

Dear Sir:

Enclosed please find original and two copies of the affidavit of communitization agreement covering the above described tract. Our Elliott-Hinton #1 has reached total depth. Both the Blinebry and Tubb Sections have been treated and are being tested. You will be contacted in the near future regarding the reports on packer leakage tests and any other matters pertaining to this dual completion that may arise.

If there is additional information which you will require on this well, please contact our office in Eunice, New Mexico.

Very truly yours, John V. Millaughlon

John P. McNaughton

JPM/ck Encls.