

NEVILLE G. PENROSE, INC.

FAIR BUILDING
FORT WORTH 2, TEXAS

May 26, 1954

New Mexico Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

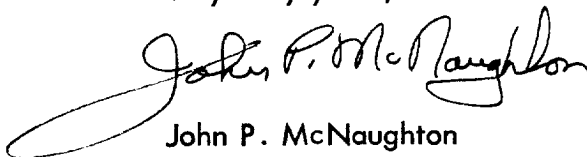
Attention: Mr. Stanley J. Stanley

Re: Hinton #5, Section 12, 22S-37E, Lea County, New Mexico

Gentlemen:

Pursuant to our recent correspondence covering the above lease this will advise that Neville G. Penrose, Inc. has formed a 160-acre gas proration unit in the SE/4 of Section 12, 22S-37E, and further that we are the operators of this unit. I trust this will suffice to allow you to give us a 160-acre allowable on this well.

Very truly yours,


John P. McNaughton

JPM:mb