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HOBBS, NEW MEXICO

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May 31, 1956

State Land Office Unit Division
Santa Fe. New Maxico

Attention: Mr. E. S. Walker
Commissioner of Public Lands

Re: Communitization -N/2 NW/4 Sec. 20, E/2 SW/4 Sec. 17 T 22 S - R 37 E

Gentlemen:

In reply to your letter of May 11 and to your question today to Mr. Montgomery of the Oil Conservation Commission office in Hobbs, I will attempt to bring you up to date on the subject acreage. This well has been drilled and completed on the NW/NW Section 20-22-37. It was completed as a gas well with incidental oil in the Eumont Pool. All of the completion information and other pertinent information can be found in the Oil Conservation Commission files in Case 1050, heard in Hobbs, New Mexico, before an examiner on April 3, 1956.

The well is now connected to El Paso Natural Gas Company's high pressure gas system. In the files of the Oil Conservation Commission are the Affidavit of Communitization among the working interest owners for the subject acreage. Also in their files is the date of connection to El Paso, which I understand to be the effective date of allowable.

A Communitization Agreement has been drawn up involving the subject land. It is on a printed form acceptable to the United States of America as a royalty owner and one which I feel sure the State has previously executed. I am personally making a trip next week to Houston, Dallas and Fort Worth, Texas, where I will secure all of the working interest signatures and a large portion of the royalty interest. I intend to attend the Oil Conservation Commission state wide hearing in Santa Fe on June 14 at which time I will personally bring the Communitization Agreement to your