

September 23, 1955

In reply, refer to:
Unit Division

Mr. Claude L. Wikman
c/o Hervey, Dow & Minkie
First National Bank Building
Roswell, New Mexico

Re: Averate-Hale No. 1 State
Communitization Agreement -
Section 4-458-371 =
T1/4 NW/4 and S/4 NW/4,
Dea County, New Mexico

Gentlemen:

In reviewing the above designated Communitization and examining the New Mexico Oil Conservation Commission file concerning this Communitization, it appears that under letter of June 1, 1955, the Oil Conservation Commission rejected your request for a 140-acre non-standard gas proration unit in the Jalmit Gas Pool, and they state that your Hale Well No. 1 was completed within the vertical limits of the Langlie-Mattix Oil Pool.

Therefore, unless you have completed or contemplate drilling a well in the Jalmit, we feel that this Communitization should be terminated, as the State Land Office approval was subject to like approval by the New Mexico Oil Conservation Commission.

We therefore request that you show cause why we should not terminate this Communitization.

Very truly yours,

Commissioner of Public Lands

WLS/a

cc: CC-Santa Fe
CC-Hobbs