



SKELLY OIL COMPANY

Box 38, Hobbs, New Mexico

September 20, 1954

Mr. William H. Aikman
1700 West Kentucky
Midland, Texas

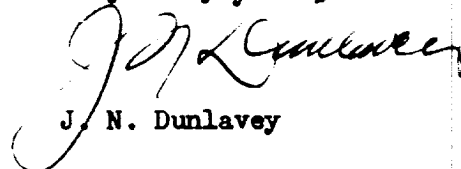
Re: Non-Standard Gas Unit
Section 2, Township 25
South, Range 37 East,
Jalmat Gas Pool
Lea County, New Mexico

Dear Mr. Aikman:

Referring to your letter of September 17, 1954, to our Mr. Kaderli concerning the proposed 120 acre gas unit consisting of the S/2 NE/4 and NE/4 NE/4 of Section 2, Township 25 South, Range 37 East, in the Jalmat Gas Pool, we wish to inform you that Skelly Oil Company has no objection to the formation of such a unit.

It has been Skelly Oil Company's policy to encourage the formation Gas Units when confined to a single section provided all acreage within the section has been considered in forming the units. The formation of your proposed unit will, in our opinion, support this policy, as our records show that all property other than our own acreage and that operated by us has been used in forming units in the north half of this section.

Very truly yours,



J. N. Dunlavey

JND/MEC/lc

cc: Mr. George W. Selinga

EXHIBIT D