

March 4, 1996

State of New Mexico Oil Conservation Division Artesia District Office Artesia, New Mexico 88210-2834

Attention: Mr Ray Smith

RE: Parr #1

Ut P-15-23S-26E

Gentlemen:

National Energy Group has received your letter concerning the proper attachment of the subject well. The Parr No. 1 is part of a divestiture package that National Energy is attempting to sell at this time. We expect to have purchase offers within the next 30 days.

National requests that the Oil Conservation Commission grant a 60 days or until May 1, 1908 delay in legal action to allow National to determine if the well can be sold.

If there is no sale by May 1, 1996. National will properly plug and abandon the well according to directions from the Oil Conservation Commission.

Thank you for your consideration in this matter.

Yours very truly.

William T. Jones

Vice President Production

William T. Jours

and Engineering