Fairfax Exploration, Inc.

301 B Graceland, S.E. Albuquerque, New Mexico 87108 Telephone (505) 268-9570

March 10, 1976

Mr. A.R. Kendrick Supervisor, District #3 Oil Conservation Commission State of New Mexico 1000 Rio Brazos Rd. Aztec, New Mexico 87410

Re:Rule 109-BOP
Bullseye Area
16 N- 9W
M&inley Co.

Dear Mr. Kendrick:

In order to comply with your memorandum No. 4-74 on Rule 109-blowout prevention we will use a Schaeffer double gate Blow out Preventer on all our drilling and workover operations until such time that we have accumulated enough information to enable you to make a revised decision.

The wells drilled to date in the Bullseye area have encountered very low pressures while drilling, and only moderate pressures after acidizing and fracturing the Dakota sands.

The shallow Hospah-Gallup wells will probably not need a BOP but for now we will use one until we have gathered some information.

Very truly yours:

Fairfax Exploration, Inc.

Gene D. Wilson, President

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Capy to S.F. 3-16.76