



MILES PRODUCTION COMPANY

1925 BELT LINE ROAD, SUITE 525 • CARROLLTON, TEXAS 75006

February 6, 1980

New Mexico Oil and Gas Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Attn: Mr. Fred Chavez

Re: Miles Production Co.
#1 Drought
Sec 4 16N 6W
McKinley County, NM

Dear Sir:

It is our company's hope that the subject well has been satisfactorily plugged from 1000 feet downward to comply with regulations. As I stated to you, the double standards of plugging wells regarding oil and gas and minerals is certainly not equitable in your state, however as long as the rules you have applies to oil and gas and that is our business, Miles will comply with the rules.

We did apply for an allowable to move the oil in storage on the captioned lease prior to the end of the year and Miles was granted such allowable; however Thriftway Company did not come and move said oil before December 31, 1979.

Since the well was not producing enough oil to be of a commercial status and since we do contemplate doing further exploration in the area this spring or summer, the captioned well is shut in. It is our intention to move the oil whenever Thriftway can get a hauler to go get it, so a request for an allowable will be made at that time.

Sincerely,

Miles Production Company

By

James B. Fuller

cc: Thriftway Company

