December 14, 1982

CERTIFIED MAIL

Aztec Energy Corporation
P.O. Box Box 2637
1206 E. 20th Street
Farmington, New Mexico 87401

Gentlemen:

Your letter of December 8, 1982 concerning well No. 1 Dever, NELNEL sec. 8, T. 23 N., R. 6 W., on Federal lease NM-28735, requested that you be allowed to produce the well past the January 1, 1983 shut-in date (this date was set to curtail gas venting) because the gas production has decreased to TSTM after a packer was set in the hole to isolate the producing zone from a casing leak.

Your request is approved until June 15, 1983 provided you conduct quarterly GOR tests and report the results to us, also, by this date you must decide to repair the casing leak and timely carry out the repair. Should the well resume gas production prior to or following the repair, you must fulfill all of the requirements of NTL-4A in order to continue producing the well.

Sincerely yours,

In James F. Sims

District Oil & Gas Supervisor

cc: NMOCD