P. C. Bex 1809 Durange, Colorado 81301

CERTIFIED MAIL RETURN RECEIPT REQUESTED September 9, 1969

Messrs. B. G. West and N. H. McIntosh 209 Carlisle S.E. Albuquerque, New Mexico 87106

Gentlemen:

By letter of July 29, 1969, you were notified that this office considered your well No. 2 Rollins-Dodgen, located in the NWANWA sec 2851. 3

T. 18 N., R. 3 W., Sandovel County, New Mexico, on Federal oil and gas lease New Mexico 088979-B, to be incapable of producing in paying quantities as of August 1, 1969.

Code of Federal Regulations, Title 43, Part 3127.3(a), provides that no lease in its extended term by reason of production shall expire when production ceases if within 60 days thereafter reworking or drilling operations are commenced and thereafter conducted with reasonable diligence during the period of non-production.

This information is to verify that which was orally given to Mr. West in telephone conversations of August 1 and September 2, 1969. Prior to October 1, 1969, you should take such steps as you may consider appropriate in order to protect your interests in the lease.

Sincerely yours,

(Orig. Sgd.) E. A. SCHMIDT

Edward A. Schmidt Acting District Engineer

cc:
Roswell
NMOCC, Aztec