

PEDCO

DRILLING OPERATIONS
P. O. BOX 2201
FARMINGTON, N. M. 87401
TELEPHONE: (505) 325-5675

ENGINEERING OPERATIONS
3705 GENERAL CHENAULT, N.E.
ALBUQUERQUE, N. M. 87111
TELEPHONE: (505) 299-6029

REPLY TO: Engineering Operations

June 1, 1974

Noel Reynolds
P. O. Box 388
Aztec, New Mexico 87410

Re: Pedco San Luis Federal #1
Section 21-18N-3W
Sandoval County, New Mexico

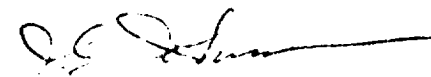
Dear Mr. Reynolds:

As per our telephone conversation of May 27, 1974, Noel Reynolds agrees to accept full responsibility of the above-captioned well. The well is being turned over to Mr. Reynolds at a total depth of 4661 feet with drilling fluid left in the hole. Mr. Reynolds agrees to run casing and promptly cement same to be used as a water supply well.

In the event Mr. Reynolds elects not to run casing, he agrees to promptly plug and abandon the well as directed by the Durango, Colorado USGS office.

Please indicate your acceptance of the responsibility for the captioned well by signing below.

Very truly yours,


J. C. Johnson
Vice President

Accepted and agreed to this 3rd
day of June, 1974.

NOEL REYNOLDS

By: 