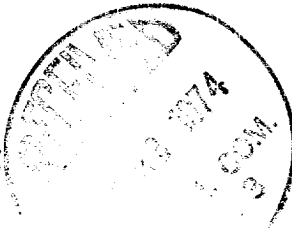


P. O. Box 1809
Durango, Colorado 81301

December 20, 1974

Noel Reynolds
Box 356
Flora Vista, New Mexico 87415



Dear Mr. Reynolds:

Petroleum Development Corporation, under Designation of Operator from Johnney M. Myers, drilled the No. 1 San Luis-Federal well in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 21, T. 18 N., R. 3 W., Sandoval County, New Mexico, on Federal oil and gas lease Santa Fe 081160-F. They forwarded a copy of an agreement letter to this office indicating that you have accepted responsibility for the well.

In order for you to assume operations of this well, you must submit an original and two copies of Designation of Operator to this office whereby Johnney M. Myers, record lessee, designates Noel Reynolds as operator of the applicable acreage for the well.

The subject well was temporarily abandoned on May 28, 1974, at a total depth of 4661 feet. Since four potentially productive oil and gas formations were penetrated and only 324 feet of surface casing was set in the well, it is essential that production casing be cemented in the hole or that the well be adequately plugged or abandoned without further delay.

Your cooperation in promptly submitting the required Designation of Operator instrument and an appropriate Sundry Notice to Set Production Casing or Plug and Abandon will be appreciated.

Sincerely yours,

(Orig. to be filed)

Edward A. Schmidt
Acting District Engineer

cc:

New Mexico Oil Conservation Commission ✓
1000 Rio Brazos Road
Aztec, New Mexico 87410