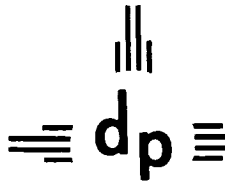


WELL FILE



dugan production corp.



PACKER LEAK

January 23, 1989

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

Attention: Charles Gholson


Re: Sherman #2 E-3-29N-5W

Dear Charlie,

As per your phone conversation with Barbara Williams of this office, we are currently preparing an application to downhole commingle the Sherman #2.

If you need any additional information, please don't hesitate to call me.

Sincerely,


F.L. "Bud" Crane
Production Superintendent

BW\BC\dhc\ocd-sher.2

RECEIVED
JAN 24 1989
OIL CON. DIV
DIST. 2