BENSON-MONTIN-GREER DRILLING CORP.

March 25, 1998

Mr. Johnny Robinson New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410

Dear Johnny:

Here's the drilling status report we have in our file on the work our rig did in the summer of 1990 on the Gallegos Canyon Unit #2. It looks like on July 25 they removed an 8-5/8" x 2-3/8" swage before they started to work on the well. My recollection is that typically in this area 8-5/8" was used for surface pipe; but it is possible that the 8-5/8" was run deeper than the ordinary 100 or 200 feet. In any event it is clear that there's no casing inside the surface pipe.

The report doesn't show why, the rig simply moved out after cleaning out from 851' to 979'. It looks like they just gave up on it.

Regards,

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Enclosure