



Four Corners, Inc.

Production and Exploration Office
Transwestern Life Building - Room 219
404 North 31st Street • Billings, Montana 59101

October 3, 1979

OCT 5 1979
OIL CON. COM.
DIST. 3

Oil Conservation Division
A. R. Kendrick - Supervisor
1000 Rio Brazos Road
Aztec, NM 87401

RE: Caribou Four Corners, Inc.
Kirtland #2
B-13-29N-15W
San Juan County, NM

Dear Mr. Kendrick:

Caribou's Kirtland #2 well has been completed as an oil well. Included in the 80 acre spacing unit for this well are 27.73 acres of Navajo Indian Lands. Caribou Four Corners, Inc., has a farmout from Continental Oil Company, the current lessee of these Indian lands.

A communitization agreement on these lands was filed with the USGS in Albuquerque on October 1, 1979. According to Mr. Amando Lopez, it has recently taken 90 days for the BIA to process communitization agreements. A total of 120 days to obtain approval of the proposed communitization is likely.

Caribou Four Corners, Inc., is requesting the State of New Mexico allow production from the Kirtland #2 during the interim period. Caribou is prepared to escrow whatever portion of the proceeds the State of New Mexico deems necessary to protect all parties involved.

Yours Truly,

CARIBOU FOUR CORNERS, INC.

Denny G. Foust
Geologist

DGF:plw