

Petraitis Oil & Gas, Inc.

**PO Box 10886
Midland, TX 79702
915 682-7861**

MAR - 9 1998

February 27, 1998

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Attn: David Catanach

Re: **Proposed Morrow Well
Case 11,877
Case 11,927
Section 12-23S-24E, NMPM
Eddy County, New Mexico**

Gentlemen:

Fasken Land & Minerals, Ltd. ("Fasken") has filed an application to force pool and drill a Morrow well as described in Case 11,877 and Redstone Oil & Gas Company ("Redstone") has proposed to drill a Morrow well at a different location as described in Case 11,927, both proposed locations being in the N/2 of Section 12-23S-24E, NMPM. This letter is to advise that Petraitis Oil & Gas, Inc.:

1. Is a working interest owner in Section 12 and is a party to that certain Operating Agreement dated January 1, 1970, covering all of Section 12.
2. Is a party to that certain Operating Agreement dated August 1, 1967, which covers the E/2 of Section 12, among other lands.
3. Supports the Redstone location as described in Case 11,927 because it has less geologic risk.
4. Supports Redstone as the operator of any well drilled in Section 12.

Thank you for your consideration.

Sincerely yours,



**Mike Petraitis
President**

MP:jw
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