



Petroleum Exploration • Drilling • Production

October 14, 1998

*Rand,
FYI*

Ed Martin, Bureau Chief
Oil Conservation Division
Energy, Minerals and Natural Resources Dept.
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Martin:

The attached letter, dated September 15, 1998, is a continuation of the mail fraud perpetuated by the State of New Mexico with regard to the wells ownership set out therein.

The Harlow Corporation has no ownership in these wells since March 1996 when they were assigned to Willow Pipeline Company.


If you need or require any reports with regard to such wells they need to be addressed to Willow Pipeline Company, the owner, operator and bondholder of record for these wells.

I have, in my files, communication from Willow Pipeline Company stating that they would comply with Commission requirements with regard to all wells assigned in March 1996. It was, at the time of sale, the wish and desire of Willow Pipeline Company to have all such wells producing and shut-in to review, re-enter and evaluate, and, as communicated again to the Commission and us, he has been in the hole on every well assigned on March 1, 1996, and is certainly capable and willing to comply with whatever procedures are in keeping with the rules and regulations of the State of New Mexico.

Additionally, Willow Pipeline Company was aware of the communication from the Commission in December 1995 with regard to inactive wells and the Assignment and Bill of Sale covered in every regard the contingencies that would be anticipated in the event Willow Pipeline Company elected to produce or not produce any wells.

Sincerely,

THE HARLOW CORPORATION


W. V. Harlow, Jr.

Ed Martin

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October 14, 1998

cc: Willow Pipeline Company
P. O. Box 131
Weatherford OK 73096

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 S. PACHECO STREET
SANTA FE, NEW MEXICO 87505**

September 15, 1998

22794
HARLOW CORP
119 W 15TH
AMARILLO, TX 79101

To Whom It May Concern:

Oil Conservation Division Rule 1115 requires that your Operator's Monthly Report (Form C-115) include reporting for each non-plugged well completion that you operate. Our records indicate that your C-115 for March 1998 did not include reporting for all non-plugged well completions.

A list of the unreported well completions is attached. It is possible that these well completions are plugged or owned by another operator. Please review your files and indicate on the attached list any explanation for non-reporting and fax this to me at 505/827-8177. If the well completions are in the correct status and operated by your organization, please submit an amended C-115.

If you have questions, please call me at 505/827-7151.

Rule 1115 requires that you respond to this notice within 30 days.

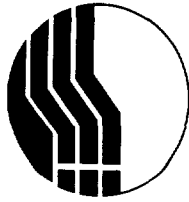
OIL CONSERVATION DIVISION
Ed Martin, Bureau Chief

WELL COMPLETIONS NOT REPORTED FOR MARCH, 1998 REPORTING

22794

HARLOW CORP

POOL NAME	PROP PROPERTY NAME	WELL COMPLETION	
		API NBR	STATUS
8190 BULL'S EYE; SAN ANDRES	5010 BARKNEHT	30-005-60817 001	A
8190 BULL'S EYE; SAN ANDRES	5013 MCDERMOTT	30-005-60921 001	A
8190 BULL'S EYE; SAN ANDRES	5020 O'BRIEN LIGHTCAP 7	30-005-60815 001	A
		30-005-60816 002	A
50680 RAILROAD MOUNTAIN; SAN AN	5011 GRAVES	30-005-60327 001	A

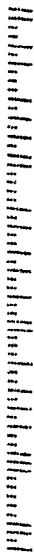


**HARLOW
CORPORATION**

119 West 15th • Amarillo, Texas 79101

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OIL CONSERVATION DIVISION
ENERGY MINERALS AND NATURAL RESOURCES DEPT
2040 S PACHECO STREET
SANTA FE NM 87505

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(505) 982-2151 (FAX)

October 6, 1998

OIL CONSERVATION DIV.
98 OCT -6 AM 11:10

Hand Delivered


Ms. Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case No. 12039 (Harlow Corporation/Willow Pipeline
Company)

Dear Ms. Wrotenbery:

I understand that Gary Millspaugh has submitted a proposal to you regarding the above matter. One issue that arose at the meeting was water supply and other producing formations in the subject area. Enclosed is a portion of a C-108 submitted by Willow regarding the O'Brien Fee Well No. 19, which states that there is one Fusselman well in the area. All other wells are completed in the San Andres formation. In addition, the C-108 discusses water supplies in the area. An update done by Permits West last month revealed that the State Engineer's records show no water wells in Township 8 South, Ranges 28 and 29 East. Also, as mentioned at the meeting, the Twin Lakes San Andres Unit,¹ which covers portions of Townships 8 and 9 South, Ranges 28 and 29 East, has to pipe water from Lea County for injection.

Very truly yours,


James Bruce

Attorney for Willow Pipeline Company

¹Approved in Division Cases 9210 and 9211.