

J.F. MUIRHEAD

OIL & GAS MANAGEMENT CONSULTING

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January 24, 1986

Mr. Roy E. Johnson
Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Latigo Ranch Operations
Guadalupe County, NM

Dear Mr. Johnson:

With reference to your letter to Trans Pecos Resources, Inc. dated December 27, 1985, and our subsequent discussions related thereto, this is to confirm that the leaking wellhead (master valve) on the Latigo Ranch #C-1 well has been repaired. On January 20-21, 1986, the well was blown down and killed with fresh water, and the faulty master valve was removed and replaced with a good valve. The well is presently loaded with water and shut-in.

In the near future, Trans Pecos also plans to plug and abandon the Latigo Ranch #A-1, #B-2, #C-1 and #D-1 wells, and to clean up and restore their locations. At the same time, the locations of the #1 Simpson well and the undrilled Latigo Ranch #A-2 and #B-1 wells will also be restored. An AFE is being prepared for approval by the working interest owners, and following their approvals, formal notice of intention to plug and abandon will be filed. We will keep you advised of the work schedule.

Very truly yours,



J.F. Muirhead

Agent

Trans Pecos Resources, Inc.

JFM:vf