

CATRON, CATRON & SAWTELL

THOMAS B. CATRON, 1840-1921
FLETCHER A. CATRON, 1890-1964

THOMAS B. CATRON, III
JOHN S. CATRON
WILLIAM A. SAWTELL, JR.
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WILLIAM F. CARR
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THE PLAZA

SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 788
TELEPHONE 982-1947
AREA CODE 505

March 14, 1977

New Mexico Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Oil Conservation Commission
Order No. R5337

Attention: Mr. Carl Ulvog

Gentlemen:

Mr. William Gruenerwald advised me today that he expects Steinbaugh Drilling Company to be ready to commence drilling on his property in Mora County, New Mexico within a week. It is essential, therefore, that the applications for permits to drill which I hand delivered to the Commission on March 10, be approved as soon as possible.

Mr. Gruenerwald originally planned to have Steinbaugh Drilling commence operations for Service Drilling Company by plugging the Gonzales Pittman Well No. 1. He did not receive a copy of the Commission's prescribed plugging program, however, until sometime after March 7, 1977, and reviewed it today for the first time. Upon review of the Commission's required plugging program, Mr. Gruenerwald discovered that Steinbaugh's rig is simply not large enough to drill out the plugs and do all other things necessary to comply with the Commission's prescribed plugging program. He is unable to obtain an adequate rig in New Mexico and will therefore have to go out of state. This morning he contacted drillers in both Kansas and Texas in an effort to locate a workover rig with reverse circulators. As soon as such a rig is available, he will set such plugs as are required by the Commission. Prior to that time, however, Service Drilling will seek Commission approval to convert the well above the Dakota formation to a water well.

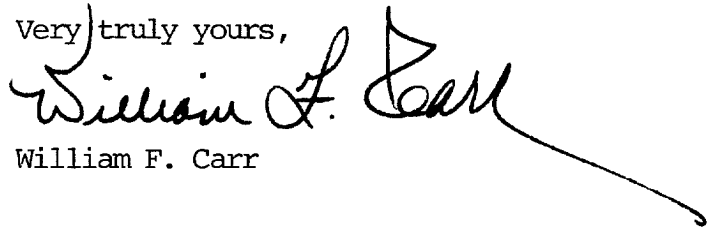
We will keep you advised of all developments in regard to our efforts to comply with the Commission's order concerning the Gonzales Pittman Well No. 1 and want to reassure you that any violation of Oil Commission rules, regulations or orders is not willful but results from our inability to comply due to the remoteness of the area in which our operations are located and the unavailability of necessary equipment.

New Mexico Conservation Commission
Attention: Mr. Carl Ulvog

March 14, 1977
Page Two

Please advise me by telephone when the applications to drill have been approved.

Very truly yours,

A handwritten signature in cursive script, reading "William F. Carr". The signature is written in black ink and is positioned to the right of the typed name. A long, thin horizontal line extends from the end of the signature towards the right margin of the page.

William F. Carr

WFC:MJ

cc: Mr. William Gruenerwald
P. O. Box 909
Colorado Springs, Colo. 80901