Telephone (940) 723-2166

STEPHENS & JOHNSON OPERATING CO.

FAX (940) 723-8113

811 Sixth Street, Suite 300

Post Office Box 2249

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WICHITA FALLS, TEXAS 76307-2249

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June 3, 2004 OCBEARTESIA

New Mexico Oil Conservation Division 1301 W Grand Ave. Artesia, NM 88210

Re: Application for Permit to Drill

Stephens & Johnson Operating Co.

East Millman Pool Unit

Well No. 7-17

Eddy County, New Mexico

30-015-33422

Gentlemen:

Please be advised that the above referenced Application for Permit to Drill does not meet the requirement for an H2S contingency plan to be submitted.

Should you have any questions concerning this matter, please do not hesitate to contact us.

Yours very truly,

STEPHENS & JOHNSON OPERATING CO.

William M. Kincaid