



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 17, 2005
Preston Exploration, LLC
P.O. Box 7520
The Woodland, TX 77387
Attn: Ms. Sandra Nobles or To Whom It May Concern

**RE: Preston Exploration, LLC: San Remo '32' # 1, located in Unit F
(1980' FNL & 2130' FEL) of Section 32, Township 16 South Range 26 East Eddy County,
New Mexico. API # 30-015-33700**

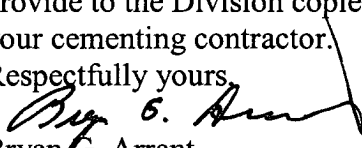
Dear Ms. Nobles,

In regards to the above noted well, the New Mexico Oil Conservation Division (NMOCD) will require the following:

This is for Preston Exploration, LLC to provide copies of the daily mud reports from surface to the intermediate casing setting depth until the intermediate casing is successfully set and conditions are ready to drill out from under the 9 5/8' casing.

In addition, please provide to the Division copies of the daily rig reports of said well and also provide to the Division copies of the cementing reports of both the surface and intermediate casing from your cementing contractor.

Respectfully yours,


Bryan G. Arrant
PES

CC: Tim Gum-District Supervisor-Artesia
Jose Daniel Sanchez-Enforcement and Compliance Manager-Santa Fe
Well File