

JAN 0 4 2006

ACD ARTESIA

January 2, 2006

Oil Conservation Division 1301 W. Grand Artesia, NM 88210

Attn: Van Barton

Re: Michalada Federal #1 API #30-015-34381

Township 22 South, Range 25 East

Sec. 3: 1980 FNL 660 FEL

Eddy County, NM

Dear Mr. Barton:

This letter is to inform you that Marbob Energy Corporation will begin construction of the location and pit for the referenced well in the near future.

Please let us know if you need further information.

Sincerely,

Sheryl Baker

Drilling Superintendent

SB/dlw