

**J. W. MULLOY ASSOCIATES, INC.**

*Engineering & Consulting*

508 West Wall, Suite 100

Midland, Texas 79701

Phone: (915) 687-0323

Fax: (915) 686-7224

JOHNNY MULLOY  
*President*

HUDSON ROUTH  
*Vice President*

May 9, 1997

Mr. Gary Gourley  
Department of the Interior  
Bureau of Land Management  
Roswell, New Mexico

Re: Rand Paulson Oil Company, Inc.  
Nicholas 31 Federal No. 1  
Sec 31 T-14-S R-35-E  
Lea County, New Mexico  
Plug back well 12,500' - 6500'

Mr. Gourley:

Per our telephone conversation 5-9-97 we will plug back the above referenced as follows:

Plug No. 1:	9835' - 9635'	200'	85 sx Class H + retarder	1.18 ft <sup>3</sup> /sk
Plug No. 2	6900' - 6500'	400'	200 sx Class H	0.99 ft <sup>3</sup> /sk

We have increased the volume of Plug No. 2 from the 175 we discussed because the slurry will be densified to 17.5 lbs/gal and the extra sacks will be needed to make up the difference in total volume required.

As we discussed, the first plug should be pumped late this afternoon.

Thank you for your consideration and attention to this matter. If you have any questions, or require additional information, please advise.

Yours truly,



O. H. Routh