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1000 SUNWEST CENTRE

C, C. J. P. D. Box 1973 ROWELL, NEW MEXICO 88201 505/623-8726

May 10, 1990

N.M. Oil Conservation Commission P.O. Drawer DD Artesia, New Mexico 88210

ATTN: Mr. Mike Williams

Dear Mr. Williams:

Please be advised that crude oil transfers need to be made in order to provide frac fluids to the Red Lake Federal #1. Attached to this letter is the NMOCC Form C-126 showing leases the oil is to be transferred from and the amounts we will need to transfer. Also attached is the BLM Form 3160-5 notifying the Bureau of Land Management of our intent and stating the transfer times from May 15 to May 22. Thank you for your attention in this matter.

Yours very truly,

Thosk Sugar

Thomas K. Ścroggin Production Supervisor