



FEB 27 1994

MYCO INDUSTRIES, INC.

OIL PRODUCERS

P.O. BOX 840 / 331 WEST MAIN, SUITE C

ARTESIA, NEW MEXICO 88211-0840

Phone (505) 748-1471

November 22, 1993

Amoco Production Company

P. O. Box 3092

Houston, TX 77253

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

RE: MYD Federal #1 Well
Township 17 South, Range 25 East
Section 34: E/2
Eddy County, New Mexico

Gentlemen:

In reference to the captioned area, this is to advise you that MYCO Industries, Inc. / Yates Drilling Company do hereby propose to drill an 8600' Morrow Test 990' FSL and 1980' FEL of Section 34, Township 17 South, Range 25 East, Eddy County, New Mexico.

Due to the New Mexico Oil Conservation Division rules for an E/2 spacing unit, this well will be drilled at an unorthodox location. We will file this administratively with the NMOCD, and do hereby request your waiver of any objections.

If you have no objections to the above, it would be appreciated if you would please signify your acceptance by signing and returning a copy of this letter to the undersigned at your earliest convenience.

Should you have any questions, please advise.

Very truly yours,

MYCO INDUSTRIES, INC.

Douglas W. Hurlbut
Landman

DWH/jnw
Enclosure

AGREED AND ACCEPTED THIS 2nd DAY OF January, 1994

BY: Amara H. Joslin