



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

Merit Energy Company  
P. O. Box 911504  
Dallas, TX 75391

**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 co 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 NMOCDD, 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/jrw  
Enclosure

AGREED AND ACCEPTED THIS 1<sup>ST</sup> DAY OF DECEMBER, 1993.

BY: Arthur G. [Signature] DISTRICT GEOLOGIST / MERIT ENERGY