



September 14, 1983

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

Re: Berry Federal "A" Lease
Grayburg-Jackson Field
Eddy County, New Mexico

Gentlemen:

We have purchased the Berry Federal "A" Lease in Section 21, T17S, R30E, Meridian NMPM, Grayburg-Jackson Field, Eddy County, New Mexico, from Petroleum Corporation of Texas (Petco). We have found that Well No. 2 has been shut-in for some time due to the tubing being stuck in the hole from collapsed casing or by solids from a casing leak bridged around the tubing. Petco recovered about 2000 feet of the tubing and shut-in the well.

We are planning to re-enter this well and attempt to recover the tubing and clean out the well to its total depth. If we are successful then we will test the open hole interval for commercial production. If this section does not produce then we plan to plug the well back and run an extensive logging program to locate shallow zones that might be productive. If these efforts fail then we will plug the well.

We will file the proper forms for the above operations with your office in the very near future.

Very truly yours,

A handwritten signature in cursive script that reads "C. W. Gleeson".

C. W. Gleeson

KRE:sg