



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

March 26, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RECEIVED

MAR 26 1980

Rhonda Operating Company
Attention: Mr. H. Scott Davis
511 North Main Place
Midland, Texas 79701

O. C. D.
ARTESIA, OFFICE

Gentlemen:

Our letter of February 8, 1980, advised that in the absence of an acceptable showing that the Federal "EA" well No. 1 in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 12, T. 18 S., R. 27 E., N.M.P.M., Eddy County, New Mexico, lease NM-6852, is capable of producing leasehold substances in paying quantities this office would consider the lease to have terminated. Such letter also suspended our January 2, 1980, approval to drill the Federal "EA" well No. 3 in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 13 until it is established to the satisfaction of this office that the Federal "EA" well No. 1 is capable of producing in paying quantities.

Your letter of March 24, 1980, provides test results showing an average production of 24 barrels of oil per day for the above mentioned well during the period from March 2, 1980, through March 10, 1980. These results are considered an acceptable showing that the well is capable of producing in paying quantities.

Accordingly, our suspension of your Application for Permit to Drill the Federal "EA" well No. 3 is terminated. This letter will confirm our telephone conversation of March 10, 1980, whereby you were advised that drilling of the Federal "EA" well No. 3 could be commenced.

Sincerely yours,

(Orig. Sgd.) ALBERT R. STALL

Albert R. Stall
Acting District Engineer

cc:
Acting Deputy Conservation Manager, SCR
Lease File

N.M. O.C.D. (2)

Well File
Reswell Chrono
Artesia Chrono

