

HENRY and ROSS  
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RECEIVED

JAN 28 1982

O. C. D.  
ARTESIA, OFFICE

January 25, 1982

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87501

RE: NM Oil/Gas Lease L-6918  
SE/4 SW/4, S16-T18S-R28E, NMPM  
February 1, 1972  
State NM to Elk Oil Company  
Farmout: Elk to Marnel  
Well: Elk No. 1 (330' Fsl & 2057' FWL)  
Spud Date: December 29, 1981  
Hegwer Drilling Co.-Cable tools

Gentlemen:

Please be advised that we are drilling at 375' on the above captioned lease as of this date. NMOCC rules require that we set surface casing (circulate) at 450' or the top of the salt, whichever comes first. Progress has been continual since the spud date.

The secondary term of this lease expires on February 1, 1982. Our drilling operations will extend beyond the expiration of the secondary term. Please consider this our request for approval to extend operations beyond the secondary term. It is our understanding that drilling progress reports should be reported every 30 days and that no lapse in the drilling operation can be for more than 20 days.

Your consideration in this matter will be greatly appreciated. Progress reports will follow on a timely basis per the lease agreement.

Yours truly,

*Ruth A. Henry*  
Ruth A. Henry

cc: NMOCC-Artesia, NM  
Elk Oil Co.  
Thomas K. Scroggin  
Hegwer Drilling Co.  
George Graham-Attny