

PENWELL ENERGY, INC.

1100 ARCO BUILDING
600 N. MARIENFELD
MIDLAND, TEXAS 79701

OFF: (915) 683-2534
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July 8, 1998

Oil Conservation Division
811 South First Street
Artesia, New Mexico 88210

Re: Southern Cross "16" State #1
Eddy County, New Mexico

Dear Sir:

Please, consider this our request for confidentiality on all logs for the above-mentioned lease. As we understand it, the period of confidentiality will be for one year, per BLM rules. Your cooperation in this matter is appreciated.

Yours truly,



Linda Walker
Regulatory Analyst