

I. T. Properties  
3502 Yachtclub Ct.  
Arlington, TX 76016  
817 572-3915; Fax 817 478 1925

March 07, 1995

Oil Conservation Division  
District II  
Drawer 811 S. First St.  
Artesia, NM 88210  
Attn.: Tim Gum

RECEIVED

Re: Request to Reinstate the Permit to Plugback  
DHY State "B" #1  
Sec 11 T-19S R-28E  
Eddy Co., NM

MAR 10 1995

OIL CON. DIV.  
DIST. 2

Dear Mr. Gum,


Pursuant to your telephone conversation, I. T. Properties hereby requests that you reinstate our Application for Permit to Drill, Re-Enter, etc. ( Form C101) which you revoked recently after receiving a letter from Mr. A. J. Losee, on behalf of Chi Energy.

After receiving your letter of revoking our permit, on February 15, 1995 we sent all interest owners a copy of a certified letter to Chi Energy explaining that because of the Unit Ownership provision under the JOA, Chi is prevented from becoming the operator of the lease. As of today, we have received no indication that this matter is in litigation.

In addition, I. T. sent a new AFE dated February 3, 1995. Yates Petroleum has consented to the workover, bring the total consenting interest to 51.38% as of March 5, 1995.

We have 60 days from February 2, 1995 to perform the workover under the present AFE. Thus your action to reinstate is required at this time. If you have reason to continue to withhold OCD approval, please so inform us immediately.

Very truly yours

  
K. W. Chen  
President

attachments