

Monsanto Oil Company

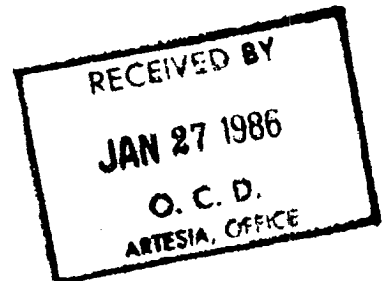
1300 One First City Center
500 West Texas
Midland, Texas 79701
Phone: (915) 683-3306

January 24, 1986

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
PO Drawer DD
Artesia, New Mexico 88210

Attn: Les A. Clements/Supervisor District II

RE: Drilling Permits ✓ ✓
Burton Flat Deep Unit #38 & #39
Sec. 2-T21-S-R27-E
East Avalon Bone Springs Field



Dear Mr. Clements:

We have received your notices dated 1/16/86 advising Monsanto that the drilling permits on the above wells have expired. We have delayed the drilling of these wells in order to monitor production from other new wells in the area and reassess our reserve estimates. We now estimate that one and possibly both the wells will be drilled, probably in mid-1986.

Please grant an extension to the permits. We would prefer an eight month extension. Thank you.

Yours very truly,

D. E. Brown
Regional Production Manager

DEB:JLR:ac

4-24-86

OK TO EXTEND 180 DAYS TO 10-24-86