Corinne R. (-race

POST OFFICE BOX 1418 3722 NATIONAL PARKS HWY. CARLSBAD, NEW MEXICO 88220

(505) 887-5581

<u>SENT VIA FAX AND</u> <u>OVERNIGHT FEDERAL EXPRESS</u>

Mr. Larry Kehoe, Director Oil, Gas and Minerals Division Commissioner of Public Lands P O Box 1148 Santa Fe, NM 87504-1148

April 26, 1996 APR 29 1996 OIL CON. DIV. Dist. 2

Re: State Oil and Gas Lease No. VB-0422 Eddy County, New Mexico.

Dear Mr. Kehoe:

Enclosed find the following:

1) Daily report on the Cueva Unit No. 1 . There has been continious operations from 3/30/96 thru 4/26/96 and such operations are continuing.

2) The approved C-101, Application for Permit to Drill, Re-enter, Deepen, Plugback, or Add A zone, from the Oil Conservation Division for the operations we are currently performing.

3) The C-103, Sundry Notices and Report on Wells, filed with the Oil Conservation Division on the current opera-

If there are any questions, please feel free to give us a call.

Very truly yours,

Circinne B. Grace

Corinne B. Grace

Enclosures CBG/mm cc: Oil Conservation Division Artesia, NM 88210