

NEW MEXICO OIL CONSERVATION COMMISSION

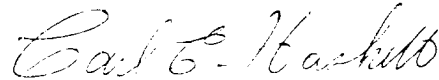
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However, we still believe that the open-hole completion may be the most efficient for this formation and need to gather additional data to support this view. We want to take the next opportunity presented to conduct another 90-day test, this time with only the Bone Spring exposed.

This possibility will come with the drilling of the Amoco Federal #3, for which the drilling permit has been approved. We are asking by this letter for a 90-day test period on the Amoco Federal #3 with the open-hole completion. At the conclusion of this test we will come to the New Mexico Oil Conservation Commission at a hearing requesting your sanction for open-hole completion for this and subsequent wells if the data merit. Please advise if this course of action is agreeable to the New Mexico Oil Conservation Commission.

Yours very truly,



Carl E. Haskett  
Manager, Corporate Engineering & Research

CEH/sc

cc: Mr. W. A. Gresset  
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U. S. GEOLOGICAL SURVEY  
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