



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

RECEIVED

FEB 1 1993

MARALO, INC.
Land Dept. - Midland

JAN 27 1993

U. C. G.
MEXICO

January 29, 1993

Maralo, Inc.
P.O. Box 832
Midland, Texas 79702

Attention: Mr. Mark Wheeler

Re: Little Bear Unit
Unit Well No. 2
Eddy County, New Mexico

Dear Mr. Wheeler:

This office is in receipt of your letter of January 21, 1993, wherein you have advised this office that Maralo, Inc. proposes to fulfill the Section 8 well requirement of the unit by re-entering the Maralo State #1-Y well located 2030' FNL & 1085' FWL of Section 18, T24S, R25E and testing the Delaware formation at approximately 5,500'.

It is our understanding that the Little Bear Unit Well No. 1 was drilled and temporarily abandoned on October 19, 1992.

Please be advised that the Commissioner of Public Lands has this date approved your request. Also, please be advised that operations must be commenced on or before April 19, 1993, and you must also change the Well Name to the Little Bear Unit Well No. 2. Our approval to re-enter the above-mentioned well is granted subject to the condition that if said well is determined as a commercial well, then, another unit well shall be drilled with six months from the date the subject well was determined commercial or the unit will be contracted to the spacing unit dedicated to the commercial well.

Please keep this office informed as to the drilling status of this well.