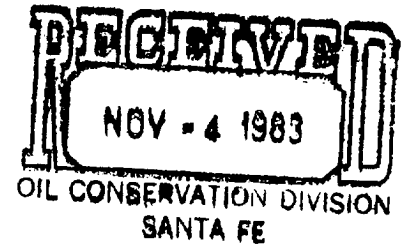


DINERO
P. O. DRAWER 10505
MIDLAND, TEXAS 79702

October 27, 1983



State of New Mexico
Energy & Mineral Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

RE: Aminoil Federal Well
No. 1-J-22-24-28
Willow Lake Atoka
Eddy County, New Mexico

Gentlemen:

It was brought to our attention by your office in Artesia, regarding the above referenced well, that we had not met the provisions of Rule 107 and, therefore, could not be granted an allowable. Dinero Operating Company is requesting an exception to Rule 107 for this well to prevent waste through loss of production.

Perforations are from 11,716' to 11,724'. The tubing is set at 11,435', 281ft. above the top of the pay. We encountered some problems in completing this well, and due to our oversight, did not set the tubing deep enough. However, it would be unwise to attempt to increase the setting depth at this time due to lost short term production and also to possible long term damage to the formation. This well is currently producing 3.00 MMSCF of gas per day.

Your cooperation in this matter is appreciated. If there are any questions concerning this, please notify the undersigned.

Sincerely,

DINERO OPERATING COMPANY

Mitch Beique

Mitch Beique
Petroleum Engineer

MB/ln

Enclosure

cc: Artesia District Office