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December 29, 1987

C. C. D.
ARTESIA, OFFICE

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

Attention: Mr. Mike Williams

RE: Forty Niner Ridge Unit Well No. 3
Section 16, T-23-S, R-30-E
Eddy County, New Mexico

Gentlemen:

This is to confirm our telephone conversation between Mr. D. G. Moore and Mr. Dennis Wehmeyer on December 28, 1987 regarding the estimated base of salt and 8-5/8" casing setting depth on our proposed Forty Niner Ridge Unit Well No. 3. As discussed on Monday, the measured base of salt on the Forty Niner Ridge Unit Well No. 1 is 3342' with the estimated base of salt in Well No. 3 being at a similar depth.

Due to this well being in the R-111A Area, the salt protection string must be set a minimum of 100' below the base of the salt section. A revision to the C-101 on the Forty Niner Ridge Unit Well No. 3 was telephoned to Mr. D. G. Moore, indicating a revised setting depth of the 8-5/8" salt protection string from 3200' to 3500'. An additional 300' of 8-5/8", 28# will be run with a revised total of 1300' 8-5/8", 28# and 2200' 8-5/8" 24#, casing to be run. This should fully comply with the casing setting depth requirements of order R-111A.

Yours very truly,

Joe E. King
District Manager

DBW:JRB