ACCEIVE:

APR 1 9 190

CERTIFIED--RETURN RECEIPT REQUESTED P 135 584 301

Collins & Ware, Incorporated Attention: G. Thane Akins 303 W. Wall, Ste 2200 Midland TX 79701

RE: Quahada Ridge Federal 31 Well No. 2 NM-61349

1880' FNL & 330' FWL, Sec. 31, T22S, R29E

Eddy County, New Mexico

Dear Thane Akins:

On January 25, 1993, Collins & Ware, Incorporated, filed an Application for Permit to Drill (APD) at the above referenced location. I am pleased to approve your APD at the present location. Your copy of the APD, with attached stipulations, is enclosed.

Through our analysis of the APD, we have determined that the well site is located a sufficient distance from the ore zones that potash resources should not be impacted.

If you need any additional information, please contact Tony Herrell in the Carlsbad Resource Area at (505) 887-6544.

Sincerely,

1st Monte G. Jordan

For Larry L. Woodard State Director

1 Enclosure

bcc:

NM(910, L. Woodard) NM(920, R. Smith) NM(060, A. Lopez) NM(060, L. Cone) NM(067, T. Herrell)