

Robert L. Bayless

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March 27, 2000

Mr. Charlie T. Perrin Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410

RE: Santa Fe Pacific No. 57

Dear Mr. Perrin,



Refer to your letter dated March 7, 2000, and our telephone conversation today concerning the referenced well. As we discussed, Harry Lee will dig out around the casing of the well to determine whether there is leakage around the casing. If there is not as he believes, then we will follow through with transferring the well to the Lee Ranch. If there is leakage then we will either repair or plug the well. Please let me know if there is anything else we need to do.

Sincerely.

Tom McCarthy Petroleum Engineer