

# VETERAN EXPLORATION, INC

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January 2, 1991

Michael Stogner  
State of New Mexico  
PO Box 2088  
Santa Fe, NM 87501

RE: Amendment to order DD-52H San Isidro 12-10.

Dear Michael,

Please Amend order DD-52H with regard to the San Isidro 12-10 to reflect a change in the surface location originally stated in said order. Actual surface location was changed in Sec. 12-20M-3W to 1545'FSL - 1420 FEL as approved by the BLM.

In regard to the drift angle of 75 degrees stated in the original order. Please amend above stated order to indicate a final drift angle of 98 degrees. The drift angle changed as a result of multiple tool failures of our MWD (measurement while drilling) We were forced to drill "Blind" relying on our directional tools of which we used a hold assembly. We also relied on known geology in the area and used samples from drilling. We encountered formation changes with intense fracturing and believe the bit and hold assembly reacted to this by taking the path of least resistance which apparently was up. There were no other MWD tools available and budget constraints played a large part in this decision to continue to drill. Please call us for any additional information that you may need.

Yours Truly,

  
Philip F. Grey  
Executive Vice President  
Veteran Exploration

cc: Ernest Bush

**RECEIVED**  
JAN 10 1991  
OIL CON. DIV.  
DIST. 3