

71 22041-03

BENSON-MONTIN-GREER DRILLING CORP.

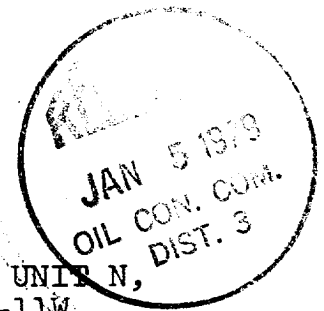
221 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO 87401
PHONE: 325-8874

January 4, 1979

N. M. Energy & Minerals Department
Oil Conservation Division
Post Office Box 2088
State Land Office Building
Santa Fe, NM 87501

Attention: Ms. Teshendorf

RE: ORDER NO. R-5751
THOMPSON WELL NO. 1, UNIT N,
SECTION 10, T-30N, R-11W,
SAN JUAN COUNTY, NEW MEXICO



Gentlemen:

I am in receipt of Ms. Teshendorf's letter of January 2 advising of the demand on the bonding company to plug the captioned well. As I advised earlier I agreed to assume the responsibility of plugging this well in event this proves to be the proper course of action. I was under the impression that the lease on which the well was located was "kept alive" by production from other zones and that the question of ownership and whether I even had the right to produce the well if required by the commission or plug it was one of attempting to determine the intent of parties to agreements 15 years ago, the tracks of which in the records were unclear.

It now develops that it is a simple case of the lease having expired and the obligation to plug resting with the parties to whom it was assigned 15 years ago.

However as agreed, I have assumed this responsibility and will plug the well. I would prefer to do this work with one of my company's rigs and it would be difficult for me to schedule the work earlier than the month of February - so I request your approval that the plugging be done in the month of February.

You state in your letter "in view of the fact that C & E Operators ... is drilling a new well on the unit, we feel it imperative that the Thompson No. 1 be plugged as soon as possible." It is my understanding that C & E Operators does not require the immediate plugging of the well and that the month of February will be satisfactory with them, and to evidence their approval they are writing you a letter stating this.

Thank you for your cooperation in this matter.

Happy New Year,

Copies: R. A. Miller
Al Kendrick
Jason Kellahin

A handwritten signature in cursive script, likely of the sender, is written across the bottom right of the page.

ARG/tlp