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March 6, 1989

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Attn: Frank Chavez

RE: LaPlata Mine Water Supply Well

Gentlemen:

As per our discussion via telephone on 3/3/89, please find attached the daily drilling reports, the drilling prognosis, and an informal contract concerning the subject well. The contract, which was between BHP Petroleum (Americas) Inc. and Utah International Inc., addresses BHP Petroleum's position of "prime contractor" and Utah International's permitting responsibilities. Although, we feel certain this contract was validated by Utah International, we do not currently have a signed copy in our presence.

BHP Petroleum apologizes for any inconvenience the lack of permitting of this well may have caused and we hope the attached documentation will help in updating your files. Feel free to contact the undersigned if you feel we can be of further assistance in this matter.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC.

A handwritten signature in black ink, appearing to read "Daniel H. Sallee".

Daniel H. Sallee
Petroleum Engineer
Rocky Mountain Region

DHS:gb

cc: Cole McGary
Fred Lowery

RECEIVED

MAR 08 1989

OIL CON. DIV
DIST. 2