N. DALE NICHOLS

MIDLAND. TEXAS 79702

January 8, 2001



Mr. Tim Gunn Oil Conservation Division 811 South First Street Artesia, New Mexico 88210

Re: NICHOLSINACT111600.xls

Dear Mr. Gumm:

Attached is our proposal for our time and sequential well schedule for which you requested during my visit to your office 12-23-2000. We request permission to alter both our time table and the well sequence if this becomes necessary during these operations. We wish to assure you that we will vigilantly pursue these operations with no or very little time between the completion of one operation and the commencement of another. Only such time as is necessary for us to do servicing to keep all wells producing will work be delayed on these projects. We have our own well service unit (pole rig) and will operate on a 8 hour day 5 days a week schedule.

The C-103 for each of the wells of our first two project proposals are attached. Additional reports will be submitted on C-103s as this work is completed.

If you have any questions need additional information I can probably be reached more easily at these Roswell telephone numbers during these work projects, - (505) 623-8079 or Cell (505) 626-8101.

Thank you for your consideration.

Yours truly,

N. Dale Nichols

