

Recd 7/13/85



**Sun Exploration and
Production Company**

Sun Tower
ClayDesta Plaza
No 24 Smith Rd Suite 600
Midland TX 79705
915 688 0532

July 2, 1985

Chandler and Savage
341 Mid-America Building
Midland, TX 79701

Attn: Mr. Robert E. Chandler

Re: NE/4 SW/4 Section 7
22S - 38E
Lea County, New Mexico

Dear Bob;

Thank you for your letter dated May 22, 1985, proposing an 8000 ft. Granite Wash test on the subject acreage. Sun management has elected not to participate in the proposed well.

Your proposal does not provide for a farmout agreement, and in light of the fact this tract is a divestment candidate, we must decline your request at this time.

I apologize for the delay in this matter.

Sincerely,

SUN EXPLORATION AND PRODUCTION COMPANY

Thomas R. Hobbs
Professional Landman

cjw

BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION
<i>Chandler</i> EXHIBIT NO. <u>2</u>
CASE NO. <u>8686</u>