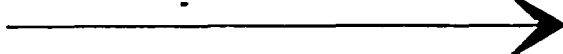


Rapid Company, Inc. 

PHONE (505) 396-4053
POST OFFICE BOX 1231
LOVINGTON, NEW MEXICO 88260

August 27, 1985

Energy and Minerals Department
Oil Conservation Division
Hobbs District Office
P.O. Box 1980
Hobbs, NM 88240

Attention: Jerry Sexton

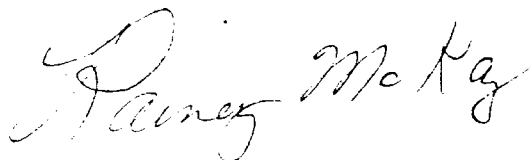
Re: Ranger Lake Lease

Dear Mr. Sexton:

We have received a letter from you, dated August 9, 1985 stating that you would like us to start plugging in 30 days.

We can not comply by starting in 30 days until we have arranged financing, it will be 60 to 90 days before we can commence plugging of the lease.

Yours very truly,



Rainey McKay

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
OCD	EXHIBIT NO. 7
CASE NO.	8741