

FORAN OIL COMPANY

SUITE 158, PECAN CREEK
8340 MEADOW ROAD
DALLAS, TEXAS 75231
(214) 373-8792

February 10, 1987

Texaco, Inc.
P.O.Box 3109
Midland, Texas 79702

Attn. Curtis Smith

Re: Foran-Caudill #1-8, NW/4 Sec.8, T 16 S, R 37 E,
Lea County, New Mexico

Dear Curtis,

Enclosed is the operating agreement covering the above captioned well. Also enclosed is an invoice for Texaco Inc.'s share of the dry hole costs. We are requesting prepayment and expect to spud by March 1, 1987.

If you have any questions please contact me at the above number. Thank you.

Sincerely,

Charles Horn
Charles Horn
Land Manager

Enclosures
CDH/ch

