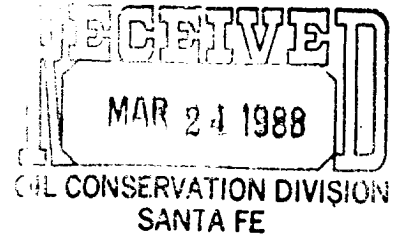




PENNZOIL PLACE • P. O. BOX 2967 • HOUSTON, TEXAS 77252-2967 • (713) 546-4000

March 22, 1988



State of New Mexico
Energy, Minerals and Resources Department
Oil Conservation Division
P.O. Box 2088
Santa Fe Land Office Building
Santa Fe, New Mexico 87504
Attn: Roy E. Johnson, Sr. Petroleum Geologist

Mr. Johnson:

Please find enclosed various forms and filings as per your letter request of January 20, 1988.

Your suspicion that the Vermejo Ranch well No. 4 was the incorrect well name on form C-115 was correct. The correct well name is Vermejo Ranch No. 2-1. Attachment A is the corrected copies of form C-115 for the Vermejo Ranch 2-1 well. Attachment B is form C-104 for the Vermejo Ranch 2-1 with the deviation record (on reverse of form C-104). Attachment C is a copy of the 4 point test run 7-3-81. No shut-in pressures have been taken since initial production commenced due to the fact that the gas was the primary fuel for residences on the ranch. As soon as weather conditions permit, a shut-in pressure will be taken, unless you direct otherwise.

The form C-105 you received for the Van Bremmer 30-33 well had a typographical error regarding the section in which the well is located. Attachment D will be forwarded under separate cover. Sundry notice form C-103 for this well is Attachment E. We are not currently producing this well. However testing is to begin again in the immediate future. Attachment F is form C-129 for this procedure. I have also enclosed a copy of the water analysis as attachment G. It is Pennzoil's intention to use evaporation as a disposal method for this water as it is within the guidelines for potable water for livestock and wildlife.