Roy L. McKay, President

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OIL & GAS

September 11, 2008

Oil Conservation Division Mr. Mike Bratcher Artesia Field Office 1301 W. Grand Avenue Artesia, NM 88210

RE: Lookout C Federal #8

API: 30-005-64041 SEC9, T6S, R22E LEASE: NM-36192

A reserve pit was approved for 50' X 60' X 8' dimensions. A sundry notice of intent was submitted to BLM on 9/5/08 to amend with the following variance: extend pit to 60' X 60' X 8'.

On Thursday, September 11, 2008, excavation commenced for the pit when hard rock was encountered at a depth between 4' and 6' on east side. Operator desires to amend the APD to provide for the following variances: Modify reserve pit dimensions <u>from</u> 60' X 60' X 8' to 60' X 80' X 4'-6'.

Please contact this office should you have questions or require further documentation.

Sincerely,

Carol Shanks Production Analyst (575) 623-4735

cc: BLM/Roswell Field Office Attachment

Accepted for record NMOCD SEP 1 2 2008