Exhibit D. H. W. Pace Operator

THE ARTESIA LUMBER CO.

ARTESIA OFFICE PHONE 505 746-2312 (24 HRS.) P. O. BOX 1325 ARTESIA, NEW MEXICO 88210

GEORGE R. LOCKER, PRES. T. C. STROMBERG, V. PRES.

April 15, 1981

MIDLAND OFFICE PHONE 915 682-7422 (24 Hrs.) P. O. BOX 5564 MIDLAND, TEXAS 79701

REPLY TO POINT OF MAILING

H. W. Pace Oil Company DeKalb Federal # 1 Chaves County, N. M. 660' FNL, 1980' FEL, Sec 21, T 8 S, R 26 E 6463' Old Total Depth

Well History

8 5/8" Casing set at 1010' 7 7/8" hole to 6463' Drilled in 1961 Cement plugs as follows: 10 sacks at surface 40 sacks at 950' 50 sacks at 2000' 85 sacks at 6200'

Re-entry Procedure

- 1. Fill surface pits with fresh water.
- 2. Drill 10 sack surface plug and 40 sack plug at 950'.
- 3. After drilling cement plug at 950', condition mud system with Salt Water Gel to a 33 34 seconds per 1000 cc viscosity.
- 4. Clean out old hole to approximately 4000'.
- 5. Mud up as follows:
 - a. Viscosity 45 50 with Salt Water Gel.
 - b. Add 3% K Cl (Potash).
 - c. Reduce water loss to 10.0 cc or less with Starch.
 - d. Add 5 to 6 % Diesel Oil.
- 6. From the top of the Abo (4300' ±) to top of Wolfcamp take at least 30 minutes to wash, ream or drill each joint of drill pipe down. More time may be required for each joint if hole has caved. If a joint is free, continue to work Kelly up and down for 30 minutes before adding another joint of drill pipe.
- 7. From the top of Wolfcamp to total depth, use same mud properties as required to condition the Abo unless a change is required because of hole condition.

Sincerely,

C. M. Baggett "Socky"

Manager