

GRYNBERG PETROLEUM COMPANY

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May 23, 2001

State of New Mexico
Energy, Minerals & Natural Resources
Oil Conservation Division, District II
811 S. First Street
Artesia, NM 88210



Re: Application for Permit to Deepen 2 Wells
Grynberg 16 State #1 Grynberg 32 State #4
660' FSL & 660' FEL 1980' FNL & 1980' FWL
Sec 16-5S-24E Sec 32-5S-24E
Chaves County, NM Chaves County, NM

To Whom It May Concern:

Attached are the originals plus six copies of an APD for each of the referenced wells. I have had discussions with Ms. Mae Morgan in your office regarding prior APD's mailed but apparently never received for each of these wells. If the prior APD's do arrive, please disregard and replace them with those attached here.

Both of these wells were drilled with first production in the early 1980's. Each of them has been shut in and non-productive. Prior to abandonment, Grynberg is attempting to test a deeper objective. It is our intention to begin this work as soon as Commission approval is received and rig availability allows. If additional information is required, please call and inform.

I will expect your reply in the near future.

Sincerely,

Thomas E. Venglar

Thomas E. Venglar, P.E.
Manager of Reservoir Engineering

Attachments