

drilling permit you advised me to go ahead and drill any way in order to save the lease.

Primero Operation is in the process of putting up a \$7,500 single well cash bond for this well. We would rather drill this well with a permit but since we have been advised to drill this well by the NMOCD in both Santa Fe and Artesia in order to save the lease we plan to commence drilling operations this month.

If you do not agree that our commencement of drilling operations this month will extend the lease please let me know by June 21, 1994.

Thank You

Phelps White
President

cc: Commissioner of Public Lands
P.O. Box 1148
Santa Fe, N.M. 87504
Attn: Mr. Floyd Prondo

6-17-94

I called Mr. White at 2 PM today and told him I do not know if commencement of drilling will extend the lease. Also our only advice concerning starting the well was that it would be at his own risk if he started it before he got a permit.

