

RAMSEY PETROLEUM CO.

P. O. BOX 11446

ALBUQUERQUE, NEW MEXICO 87112

April 25, 1989.

RECEIVED

APR 26 '89

O. C. D.
ARTESIA, OFFICE

Mr. Mike Williams
New Mexico State
Oil Conservation Division
811 South 1st Street
Artesia, New Mexico 88210

RE: Form C-101 & C-102,
Application to Drill.
"Playas Valley Unit"
Hidalgo Cnty, N.M.

Dear Mr. Williams:

In reference to our telephone conversations today, attached find completed Form C-101 Application to drill, and Surveyors Form C-102 completed. Being 1-original and 5 copies of each form.

The Plugging Bond was delivered to Ms Diane Richardson of your Santa Fe office and approved yesterday.

As agreed, we will set surface casing of 9-5/8ths, 36# to your required depth of 625 feet, unless you advise otherwise.

Thank you for your approval to allow us to set 7" intermediate casing through the 9-5/8th surface casing, if conditions require it.

As you know, some of our State leases within our state UNIT expire May 1, 1989, also our Unit Agreement require that a drilling rig be on the well site and thus operations have started, not later than Sunday midnight April 30th. Therefore as I advised you our Cable tool rig will move on the well site Friday April 28th and rig up to start drilling surface casing hole. This will, according to the Oil and Gas Division, meet their requirements and validate our leases and the Unit Agreement.

Thank you for your cooperation and assistance. I have advised Mr. Don Cave of Farmington our pipe supplier, that one of your people will inspect the surface casing at his pipe yard before being trucked to the well site.

Sincerely,

Arthur B. Ramsey.

ABR/r.
H-154.
Encl's.

Federal Express (overnight)
#045578875.

CC: Oil & Gas Division
Santa Fe, N.M.

