



September 14, 1983

New Mexico Conservation Commission
P.O. Drawer DD
Artesia, New Mexico 88210

Re: Dexter Federal Lease
Grayburg-Jackson Field
Eddy County, New Mexico

Gentlemen:

Damson Oil Corporation has purchased the Dexter Federal Lease in Section 22, T17S, R30E, Jackson ABO Field, Eddy County, New Mexico, from Petroleum Corporation of Texas (Petco). Well No. K-2 has apparently been shut-in for some time and Petco filed a TA/SHUT-IN WELL REPORT on 5/5/81, showing the well as the Graridge Federal Tr. 2, Well No. 2, and stating that the well was held for conversion to a SWD well.

We plan to conduct a complete review of this well to determine if it can be returned to production, utilized as a SWD well, sold, or if it should be plugged and abandoned.

The forms required for any of the above operations will be filed as soon as our investigation has been completed.

Very truly yours,

A handwritten signature in cursive script, reading "C. W. Gleeson".

C. W. Gleeson

KRE:sg