

***S & D RANCH, LLC***

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March 26, 2008

**RECEIVED**

**MAR 28 2008**

**HOBBS OCD**

Oil Conservation Division-Hobbs  
L. W. "Buddy" Hill-Compliance Officer  
1625 N. French Drive  
Hobbs, New Mexico 88240

Re: Letter dated February 19, 2008  
Drinkard Homestead 001

Dear Mr. Hill,

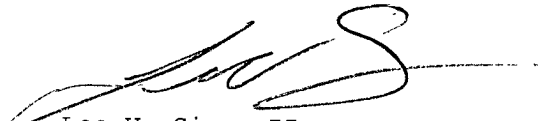
As you are aware, the Drinkard Homestead Well addressed in your letter of February 19, 2008 has been inactive since the deaths of Tom and Winnie Kennann.

Please let this letter serve as notice as of March 25, 2008 the Drinkard Homestead Well will be back in production.

If there is anything more that needs to be done for the well to be in compliance please let us know.

Thank you for your patience and cooperation in this matter.

Sincerely,



Leo V. Sims, II

OK!  
3-31-08  
[Signature]