NMOCD Engineering ATTN: William Jones 1220 South St. Francis Dr. Santa Fe, NM 87505

RE: Mas Operating Company

W.W. Hamilton A #2 (30-025-12485) Knowles SWD #2 (30-025-07287)

Mr. Jones:

Mas appreciates your letter and thoughts concerning the recent C-108 on the Hamilton #2. Mas has decided to file a new application as you suggested. We will apply for the lower Devonian, the application is being prepared.

Concerning the Knowles #2, Mas was not aware of the deficiency in its well. Mas is requesting an extension to correct these problems after the Hamilton #2 has been approved and completed. Mas does not wish to shut down approximately forty (40) barrels of production daily.

Once the Hamilton is completed, the Knowles will be shut in and a C-103 or C-108 will be filed to correct the problems.

Your consideration to this matter would be greatly appreciated.

Sincerely,

Eddie W. Seay, Agent Eddie Seay Consulting

601 W. Illinois Hobbs, NM 88242

575-392-2236

cc: Mas Operating Hobbs OCD