FAX (915) 686-0302

COLLINS & WARE, INC.

303 WEST WALL AVENUE, SUITE 2200 MIDLAND, TEXAS 79701

(915) 687-3435

March 28, 1994

Jerry Sexton State of New Mexico Oil Conservation Division Post Office Box 1980 Hobbs, New Mexico 88241-1980

> Re: Scarborough #1 Lea County, New Mexico

Dear Mr. Sexton:

Enclosed is an application for permit to drill the above captioned well. This well will be drilled on an unorthodox location requiring an administrative approval.

A hearing was held March 17, 1994, our case number being 10941, requesting an administrative approval for Collins & Ware, Inc. to drill on this unorthodox location. To date we have not received the approval or denial documentation. As soon as this documentation is received, we will fax a copy to your office.

Collins & Ware, Inc. is obligated to spud this well by April 12, 1994, therefore, we would appreciate your expeditious attention to this application.

Sincerely,

COLLINS & WARE, INC.

Contrama Suma Il

Dianne Sumrall Production Manager

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