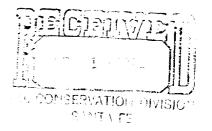
BILL J. GRAHAM ESTATE

OIL & GAS OPERATIONS

P. O. Box 7037 Midland, Texas 79708 PHONE (915) 684-6872

April 16, 1984



State of New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

ATTN: Jerry Sexton

Dear Mr. Sexton:

Our Phyllis Williams No. #1 located in the S/2 of Section 3, T-13-S, R-31-E, Chaves County, New Mexico is presently shut in and has been shut-in since 1978. The mineral owner has requested and has received a release of the oil and gas lease covering this acreage.

M R Oil Company, of Monahans, Texas has expressed a desire to purshase our well if they can secure a reasonable lease on the subject acreage. They have plans to deepen our well for a deeper test. If they do not use our wellbore we will plug it as soon as we know what their situation is.

Yours truly,

Bill D. Graham

BDG/rb