

P E D

Oil Corporation

November 6, 1995

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

Attention: Mr. William J. LeMay Director

Gentlemen:

PED Oil Corporation of Midland, Texas intends to re-enter the Conoco Mescalero Federal No. 1 as per attached data. Upon intensive evaluation of well data & 3-D Seismic data, PED respectfully requests permission to directionally deviate the current wellbore North 81 degrees West for a distance of 860' to penetrate the Devonian formation in a more favorable structural position.

PED Oil Corporation will comply with all stipulations in any order issued by the Director in this regard.

Very Truly Yours,



Michael L. Guss
Vice President

