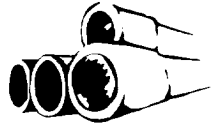




# J F G ENTERPRISE

701 EAST MAIN / POST OFFICE BOX 100  
ARTESIA, NEW MEXICO 88211-0100

TELEPHONE (505) 746-9811



December 28, 1993

New Mexico Oil Conservation Division  
ATTN: Jerry Sexton  
P.O. Box 1980  
Hobbs, New Mexico 88240

RE: JFG Enterprise  
NM State "EM" #1  
State Lease #V-721  
Unit Letter I, Sec. 2, Township 14S, Range 37E, Lea County

Dear Mr. Sexton:

After plugging this well and attempting to move equipment off, we had 1' 3" in a 1000 bbl. storage tank. Navajo Crude Oil Purchasing hauled one load of oil down to pipeline connection. We had left in the tank 55 bbls. of oil and 26 bbls. BS&W. I&W Transportation pulled all the fluid out of the tank and cleaned in preparation for moving. I&W hauled 55 bbls. of oil and 26 bbls. of water to JFG Enterprise NM State "DD" #2 tank battery located in Unit Letter E, Sec. 4, Township 19S, Range 35E. What is the appropriate form for this transaction?

Thanks,

JFG ENTERPRISE

*J. T. Jackson*  
J. T. Jackson  
800-748-3811

sjg  
OCD.EM