

# TMBR/Sharp

Drilling, Inc.

Drawer 10970  
Midland, Texas 79 027370  
915 - 699-5050

June 15, 1998

Chris Williams  
Oil Conservation Division  
P. O. Box 1980  
Hobby, NM 88240

Dear Chris:

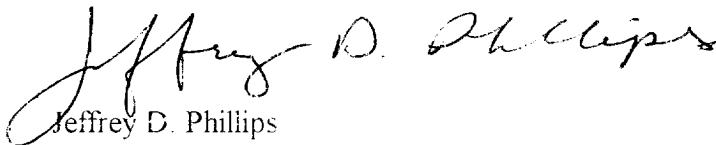
My sincerest apologies that this well has been such a mess as far as my end of the paperwork.

I spoke with Mike Staugner last week on another matter, and also talked to him about this well. I explained that we continued to change the TD as we went down and every time I would get paperwork for a certain TD done, the geologist would want to drill deeper than the permit that had not even been submitted. Mike gave me a verbal approval to drill this well to 14,800'. I am merely following up with the paperwork. We have now completed drilling on this well to 14,880' (the 5th change in TD, partly the cause for my mess) and have run a 5" liner to same. We cemented the liner with 440 sx of cement. We now have multiple zones to think about completing in this well. I will need to be sure of the regulatory requirements associated with each attempted completion, so look for more correspondence from me on this matter.

Again, I understand that you do not have the time to hold hands with all of the operators on paperwork problems, but I appreciate your patience in this instance.

Please call me if there are any questions or problems with this application.

Sincerely,



Jeffrey D. Phillips  
V. P. Production

JDP/dw

Attachments