



SUITE 302, PARAGON TOWER
600 N. MARIENFELD
MIDLAND, TX. 79701-4608
(915) 682-1044

January 24, 1983

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Re: Grand Banks Energy Company
No. 1 Craig
Sec. 2, T-5-S, R32E
Roosevelt County, NM

Gentlemen:

Per your instructions of January 7, 1983, enclosed are Form C-105, Well Record, Deviation Survey Record, Logs, and an Abandonment Check List for the above captioned well.

Please note that items 1, 2, and 4 of the Abandonment Check List were not executed. Grand Banks has contracted Mr. Kenneth Craig, surface owner and tenant of the land on which the subject well was drilled, to perform the necessary clean-up operations. Attached is the letter agreement with Mr. Craig and his wife whereby they have agreed to perform the necessary clean-up operations and release Grand Banks from any liability concerning the subject well. Also attached is a title opinion establishing that Kenneth Craig and his wife are the owners of the surface on which the No. 1 Craig was drilled.

Yours very truly,

GRAND BANKS ENERGY COMPANY

Jerry M. Jordan
Vice President - Drlg. & Production

JMJ:kmc

Enclosures