STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

GARREY CARRUTHERS GOVERNOR

April 22, 1987

POST OFFICE BOX 1980 HOBBS. NEW MEXICO 88241-1980 (505) 393-6161

St. Clair Energy Corporation 501 First National Bank Building Midland, TX 79701

Re: Caudill Well #1-K Section 21, T15S, R36E

Gentlemen:

It has come to my attention that you have a hole in the casing at approximately 7900 feet on the above-referenced well and have requested a verbal plugging procedure from our office. It has been long enough since this verbal procedure was requested that we should have received your written intention to plug the well on Form C-103. Please submit your intention to plug on Form C-103 and indicate when you expect to begin the work.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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