



ROBERT M. EDSSEL

Oil & Gas Exploration & Development

February 29, 1984

Mr. Jerry Sexton
District Supervisor
New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Re: Robert M. Edsel, Inc.,
Scott # 2 Well, E/2 NW/4
Section 1, Township 15
South, Range 36 East, Lea
County, New Mexico

Dear Mr. Sexton:

The purpose of this letter is to confirm in writing our conversation of a few days ago regarding Robert M. Edsel, Inc.'s Scott # 2 Well as described above.

Based on our conversation, it is my understanding that we may go forward with the completion of said well and produce the well until the point at which it has "cleared up" after our completion efforts. We shall produce the well into storage on the lease and not move any production off the lease premises without your prior approval. We have our field spacing and allowable hearing set up for March 14, 1984 in Santa Fe with the Oil Conservation Commission.

I will contact you immediately upon establishment of production on our well and discuss our situation further with you.

I appreciate your cooperation in this matter.

Very truly yours,

James H. Edsel
Exploration Manager

JHE:vc