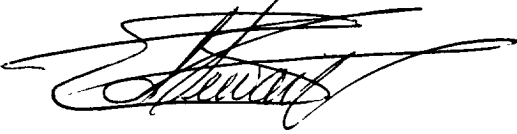


Enclosed in triplicate herewith, please find copies of the C101 and C102 forms that have been filed with the State's District office in Hobbs, New Mexico. Also enclosed, is a lease plat, geological plat, a schematic of our blowout preventers and a plat showing our proration unit. In addition, please find the necessary forms concerning our plugging bond in the amount of \$10,000.00.

Browning Oil Company, Inc. owns States Lease V-1222 covering all of Section 1, Township 16 South, Range 38 East. Please notice that the proration unit is contained within the boundaries of this State Lease and that all contiguous lands around the proration unit are owned by Browning. Therefore, it was necessary to notify offset owners.

The proposed spud for this well is November 15, 1995. Therefore, if any additional information or forms are required for the granting of a permit to drill by the State, please do not hesitate to immediately contact the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ed Stewart', with a stylized flourish extending to the right.

Ed Stewart
Landman
ES/ems
Enclosures

