

# EnergyPro, Inc.

3003 Dawn Drive

Suite 104

Georgetown, Texas 78628

Phone: (512) 869-7971 FAX: (512) 869-8543

February 5, 1997

Mr. Michael Stogner  
State of New Mexico  
Oil conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

RE: Petroleum Development Corporation  
Warren-State No. 1 Well  
South Denton Field  
Lea County, New Mexico

Dear Mr. Stogner:

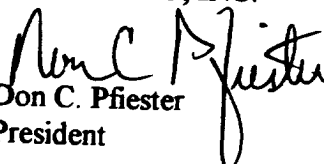
EnergyPro, Inc. is acting as agent for Petroleum Development Corporation in the acquisition of a drilling permit for the referenced well. Enclosed please find the pertinent forms relating to the drilling permit for a non-standard location for well. The well is being drilled in a non-standard location due to geological reasons that hopefully will re-establish production from South Denton field which has not produced for several years.

EnergyPro, Inc. and Yates Petroleum Corporation are the only lease owners offsetting the drilling location. Enclosed is a waiver letter for EnergyPro, Inc. We have sent a waiver letter to Yates Petroleum Corporation which we fully expect to be signed in the near future. We will forward same to you as soon as we receive it back from Yates Petroleum.

We appreciate your assistance in providing the drilling permit.

Sincerely,

ENERGYPRO, INC.

  
Don C. Pfister  
President