BASIN OPERATING COMPANY SUITE 635 PETROLEUM BUILDING ROSWELL, N.M. 88201

HUDSON FEDERAL 31 #2 990'FNL 790' FWL SECTION 31, T18S R33E

SHANNON SHAW BUREAU OF LAND MANAGEMENT

RE: PLUG & ABANDON

SHANNON,

I AM FAXING A COPY OF THE WELL BORE DIAGRAM SHOWING WHAT HAS BEEN COMPLETED AND WHAT WE PROPOSE TO DO TO FINISH THE PLUGGING OF THIS WELL.

WE WOULD LIKE TO LEAVE THE PUMP JACK, TANK BATTERY & FLOW LINE ON LOCATION UNTIL WE DRILL A PROPOSED WELL TWO MILES TO THE SOUTH. THE END OF JULY OR THE FIRST OF AUGUST IS THE PLANNED STARTING TIME. IF THIS IS SATISFACTORY WITH YOU. WE WILL THEN LEVEL THE PITS, RIP/RE-SEED LOCATION ROAD AND PIT AREA OF THE ABOVE - REFERENCED WELL. WE PLAN TO START PREPARING THE WELL TO PLUG ON JUNE 24, 1996. IF YOU HAVE ANY CHANGES TO THE PLUGGING PROCEDURE, OR ANY CHANGES AT ALL PLEASE CALL JOHN WORRAL @ 505-622-5893 AS SOON AS POSSIBLE.

SINCERELV.

HAROLD JUSTICE

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