

August 1, 2001

Oil Conservation Division 1625 French Drive Hobbs, New Mexico 88240

Attention: Mr. Chris Williams

RE: Lusk Deep Unit A "19" 660' FSL - 1650' FWL Section 17-19S-32E Lea County, New Mexico

Dear Mr. Williams:

Your letter dated July 27, 2001 requested we provide a directional survey on the above described well or provide evidence that the offsetting mineral and royalty interest is the same. This well was drilled on a S/2 proration unit and since it is located 660 feet from the south line in the SW/4, I presume the direct offset interest owners who could be affected are the NW/4 of Section 20. I have attached a copy of the unit plat that shows the Lusk Deep Unit and the well location. Since the Morrow participating area of the unit covers both the SW/4 of Section 17 and all of Section 20, the offset ownership is the same and each royalty owner and override owner would receive their share of unit production.

If this information does not fulfill your requirement, please contact me.

Sincerely,

Ray Milla

Raye Miller Land Department

RM/mm Attachment

P.O. Box 227 · Artesia, New Mexico 88211-0227 · (505) 748-3303 · Fax (505) 746-2523