TEXLAND PETROLEUM, INC.

EXPLORATION AND PRODUCTION 777 MAIN STREET, SUITE 3200 FORT WORTH, TEXAS 76102

AREA 917 336-2751

August 8, 2001

United States Department of the Interior Bureau of Land Management Attn: Linda A. Askwig 2909 West Second Street Roswell, New Mexico 88202

> RE: Reference # 3162.4 Application for Permit to Drill Bowers "A" Federal Well #41 LC-032233-A Lea County, New Mexico

Dear Ms. Askwig:

In response to your letter dated August 6, 2001, regarding the above reference Application to Drill, Texland Petroleum – Hobbs, L.L.C. states that a Private Surface Owner's Agreement has been reached concerning the surface use with the surface owner, Grimes Land Co.

If any further information is required please do not hesitate to contact me at (817)336-2751.

Sincerely,

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Ann Burdette Regulatory Technician