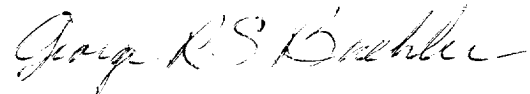


the current TD of 2947'. The well would then be drilled through the lost circulation zones in the capitan reef, cased & cemented from 3500' back to surface, equipped with injection tubing & packer and completed with disposal into the open hole portion of the capitan reef below 3500'.

Should you have any questions concerning this application please phone me at 915/682-1666.

Very truly yours,



George R.S. Buehler
Staff Production Engineer

GRSB:gks

cc: NMOCD Santa Fe, New Mexico