Araho, Inc.

684-8488

November 9, 1976

Oil Conservation Commission State of New Mexico P. O. Box 1980 Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Re: Notice of Intention to Re-enter the State No. 2, SWD well, located in Unit F, Section 2, T17S, R36E, Lea County, New Mexico.

Gentlemen:

In reply to your letter of November 3, 1976, in regards to above referenced well, we have been renogatiating our disposal contract with Southern Union and until same is settled, we cannot recomplete referenced well as a SWD well. Each week for the last three months we have thought the new contract would be signed and do expect to finalize the contract within the next three weeks.

Your indulgence in this matter is appreciated.

Yours very truly,

ARAHO, INC.

Care & Aruno

Earl R. Bruno President