STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

June 1, 1989

POST OFFICE BOX 1980 HOBBS, NEW MEX CO 88241-1980 (505) 393-6161

GARREY CARRUTHERS
GOVERNOR

LBO New Mexico, Inc. 4101 Birch Street, Suite 130 Newport Beach, CA 92660

Re: Toni Well #2

Unit I, Sec. 22, T19S, R38E

Gentlemen:

We have received your application to re-enter the abovereferenced well and attempt a completion in the Paddock zone. However, we cannot approve this drilling permit until you have a plugging bond filed for this well.

Should you have questions concerning your bond, please contact Diane Richardson in our Santa Fe office at (505) 827-5806.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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Verbal on tond 6/12/89