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PETROLEUM

ENGINEERING & REGULATORY SERVICES

> 101 E. Marland, Suite 105 Hobbs, New Mexico 88240

> > June 25, 1982

Minerals Management Service P.O. Box 1857 Roswell, New Mexico

Gentlemen:

This is with reference to Estoril Producing Corporation's Application for Permit to Re-Enter well No.2 Belco Federal, a previously plugged and abandoned well in the SE_4SE_4 of Section 15, T.23 S., R.34 E., Lea County, New Mexico, lease NM-13641.

This proposed re-entry is on mineral reserved land owned by the State of New Mexico.

The New Mexico State Land Office has been contacted previously concerning drilling and surface restoration requirements on this type of land. Mr. Ray Graham advised that they have no special restoration requirements for this area and that restoration requirements normally specified for Federal lands of similar quality would be satisfactory for this State-owned land.

Sincerely,

Arthur R. Brown, Agent for ESTORIL PRODUCING CORPORATION

ARB/bb

JAMES A. KNAUF 1501 W. Missouri Artesia, New Mexcio 88210 Phone (505) 746-4138