Grace Petroleum Corporation

Subsidiary of W. R. Grace & Co.

Broadway Executive Park 6501 North Broadway Oklahoma City, Oklahoma 73116-8298 Phone (405) 840-6600

February 19, 1986

State of New Mexico Energy and Minerals Department P. O. Box 1980 Hobbs, New Mexico 88240

Attention: Jerry Sexton

Re: Matkins Well No. 2, Unit O Section 15-23S-36E Jalmat Gas Pool Wolfson Acquisition Prospect Lea County, New Mexico

Dear Mr. Sexton:

Per our telephone conversation on February 18, 1986, attached is a copy of the document supplied to Arco Oil and Gas Company's Midland office whereby Grace sold the referenced well to Arco.

If I may be of further assistance to you on this matter, please feel free to contact me.

Very truly yours,

GRACE PETROLEUM CORPORATION

Tomp Loodwith

Tom W. Goodwin Landman

TWG:cmr Attachment

cc: Buddy Knight Charles Swan