

Fina Oil and Chemical Company

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April 25, 1992

Mr. Jerry Sexton State of New Mexico Oil Conservation Division Box 1980 Hobbs, NM 88240

Re: White Fang No. 1

Section 30, Township 25 South, Range 38 East

Lea County, New Mexico API No. 30-025-31514

Dear Mr. Sexton,

This letter is to follow up our telephone conversation of Friday, April 24, 1992. As I explained to you yesterday, we have now recompleted the subject well to formations behind our production casing and have inadvertently failed to file the necessary permit applications and forms.

After failing to establish commercial production from the open hole Ellenburger zone (8336' to 8925'), we began a systematic progression of recompletion attempts within our production casing. On April 1, 1992, I spoke with Mr. Paul Kautz of your office regarding abandonment of the open hole section of the White Fang No. 1. He verbally agreed to the setting of a CIBP just above the casing shoe to be followed by dumping two sacks of cement on top of the CIBP. From that point forward, my work pace accelerated to a point that I overlooked the necessity of filing the required Forms C-101, C-102, and C-103 for the work that has since been performed.

Please find enclosed Forms C-101, C-102, and C-103 related to all work that has been performed to date on the White Fang No. 1. As we discussed, the McKee, Waddell, and Connell Sandstones will be production tested with a pumping unit into a test tank for approximately two weeks to establish a pre-fracture stimulation production rate since we may possibly desire to downhole commingle these zones in the future. Afterward, we will isolate the McKee Sandstone to determine its productivity on a stand alone basis. Based on isolated swab tests of the Waddell / Connell from the McKee, we feel these three zones have comparable reservior pressure.

Please accept my apology for this oversight. I will be out of my office the week of April 27. I will return the following week

should you need to contact me regarding this matter.

Sincerely,

Phil Miller

Senior Staff Engineer

C: Tom Lopus
Neva Herndon
Slim Jordan

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