

RICE Engineering Corporation

122 WEST TAYLOR

TELEPHONE (505) 393-9174

HOBBS, NEW MEXICO 88240

August 9, 1989

State of New Mexico
Oil Conservation Division
District I
P. O. Box 1980
Hobbs, NM 88240

Re: Henry No. 2
Unit N, Sec. 26, T25S, R37E
Lea County, New Mexico
(Justis SWD System)

Gentlemen:

Rice Engineering Corporation has assumed the ownership of the above referenced well which was previously owned by American Exploration Company. The subject well is to be known as Justis SWD "N" No. 26 under the new ownership, being a salt water disposal well in the Justis Salt Water Disposal System, Lea County, New Mexico.

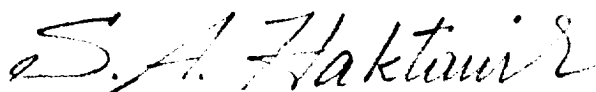
In addition to changes in ownership, well name and number, a change in legal description seems to be necessary; it has come to our attention during surveying of location pad for terminal facilities that the current description of the well location differs from what has been filed by the previous operators. Please note the following discrepancies in the old and new surveys:

Old Survey: 330' FSL and 1650' FWL
New Survey: 346' FSL and 1433' FWL

Both of same section, township and range. Form C-102 certifying the new description is also enclosed. If we can be of additional assistance to you in this matter, please contact our office.

Yours very truly,

RICE ENGINEERING CORPORATION



S. A. Haktanir
Division Manager

SAH/ap

Enclosures: Form C-102
Form C-104