



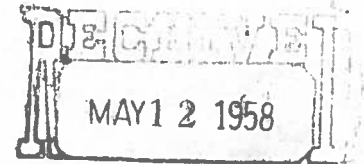
INLAND DRILLING CO.



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GUARANTY BANK BUILDING
DENVER MA 3-5246

April 8, 1958



OIL & GAS
CONSERVATION COMMISSION

Messrs. D. H. Sala, James N. Sala
and Robert Clark
3504 East Colfax
Denver, Colorado

Gentlemen:

This letter will inform you of the efforts Inland Drilling Co. made to obtain permission to drill your No. 1 Hall, located 998 ft. east of the west line and 661 ft. north of the south line of Section 31, Twp. 8 North, Rge. 52 West, Logan County, Colorado.

As you are aware, regulations require that any test be drilled 600 ft. from any property line, unless consent of leasehold owner or land owner is obtained. Mr. Luft's land is unleased and, therefore, an attempt was made to obtain his permission. Three days were spent in Sterling, attempting to arrange an appointment with Mr. Luft and his attorney. Several conversations were held with each of them, individually, but Mr. Luft would not meet me at his attorney's office.

His attorney, Mr. Sandhouse, suggested that Inland offer to take a lease with a drilling commitment in the event the No. 1 Hall was a commercial producer. Mr. Luft was made this offer, and I told him that we would be willing to pay a cash consideration for this lease. He flatly refused to consider this proposal.

A cash consideration was then offered Mr. Luft for a waiver permitting us to drill within less than 600 ft. of his line, but he refused to discuss this, also. He raised no objection to the well being drilled, but merely refused to sign anything at all.

Yours very truly,

INLAND DRILLING CO.

Willet R. Edmonson
Willet R. Edmonson
President

WRE/mj