

Marks and Garner Production, Ltd. Co.
May 2, 2001

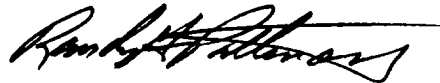
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being May 12, 2001 at 5:00 PM Mountain Daylight time, to remove this equipment and pipe from our location. After that date this equipment will be junked. Further, we assume no liability for theft of this equipment sitting on our location. Therefore, your immediate attention to its removal is required.

It is our opinion that you have no right to the 140 barrels of oil that were apparently produced and removed during 1998, 1999, and 2000, therefore we hereby demand your check for \$2,100.00, being 140 barrels of oil at an average price during this period of time of \$15.00 per barrel.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read "Randy G. Patterson", with a long horizontal line extending from the end of the signature.

Randy G. Patterson
Land Manager

RGP/mw

cc: Mr. Pinson McWhorter, Operations Manager, Yates Petroleum Corporation
Mr. Ernest Carroll, Losee Carson Haas & Carroll Law Firm
Mr. Brian Arrant, Oil Conservation Division, Artesia, NM