

A - PLUS WELL SERVICE, INC.

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

September 21, 2000

NMOCD

Aztec District Office
1000 Rio Brazos Road
Aztec, NM 87410

Attn: Charlie Perrin

Re: Nerdlihc Plugging Project
McKinley County, NM
Contract #00-521-25-205



Gentlemen:

In accordance with Section 7 of the referenced Contract, A-Plus Well Service seeks written approval for the utilization of subcontractors, which would perform the work described below, to accomplish this project.

To accomplish the work involved in the scope of this Contract A-Plus proposes.

- Phase One Using a well servicing unit from BC&D Oil to remove all tubing and rods from the wells that have such. This work would start in early October and be completed by October 15, 2000.
- Phase Two A-Plus Well Service would also contract with BC&D Oil Corporation to remove all surface production equipment (separators, tanks and pump jacks) from the lease. This work would start after the rods and tubing are removed and be completed by November 3, 2000.
- Phase Three Concurrent with Phase Two, A-Plus Well Service would hire a large steel coiled tubing unit that would be used to set the first two plugs in all the wells. We estimate this would take approximately three days by cementing four to five wells per day. In most of the wells, our plan would be to set one large plug (covering the perforations up to approximately 700') instead of two smaller plugs to minimize the steel coiled tubing unit's time. This large plug would be tagged with a wireline unit and then (where required) the casing would be perforated and cement circulated to surface. After wireline tagging the large plug in wells that do not require perforating, A-Plus would use our small coiled tubing unit to set the surface plug from approximately 100' to surface. Estimated time to complete this work is 6 to 8 workdays.
- Phase Four Envirtech would then mobilize and perform all the surface remediation work and close the production pits as instructed by the NMOCD during the bid walk through.

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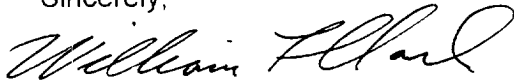
NMOCD

Re: Nerdlihc Plugging Project

A-Plus believes the utilization of the sub contractors as described in the preceding proposal is in the best interest of the NMOCD. We estimate that it will take less workdays for your staff if the project is handle in this manner. Additionally, nothing is compromised in the final work product.

Please review this proposal and advise me of any questions or concerns you may have. We look forward to working with you to accomplish this project.

Sincerely,



William F. Clark
President