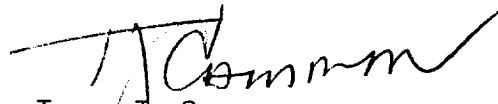


Mr. Joe Dyk
February 7, 1989
Page Two

In conclusion, my map and directions were ignored by Salazar Drilling Inc. Salazar entrusted the ranch foreman in locating the location, and Mr. Maddox, DOC drilling representative, believed Salazar knew what they were doing. Mr. Maddox is from Colorado and not familiar with the area in question. Attached are copies of the plat, drilling prognosis, and map.

Sincerely,

DIVERSIFIED OPERATING CORPORATION



Terry J. Cammon
Manager of Operations

TJC:mbd

cc: Joe I. Salazar Drilling Inc.
W.C. Maddox
BLM, Farmington
Iona Lee, Lee Ranch