

GOLDEN OIL COMPANY

550 POST OAK BOULEVARD / SUITE 550 / HOUSTON, TEXAS 77027

(713) 622-8492

RALPH T. McELVENNY, JR. CHAIRMAN

October 13, 2000

By: Fax and Regular Mail

Mr. Brian Davis
Petroleum Engineer
Bureau of Land Management
Division of Multi-Resources
Albuquerque Field Office
435 Montano Rd. NE
Albuquerque, NM 87107-4935



Re: Letter regarding orders to plug well

Dear Mr. Davis,

I am in receipt of your letter dated September 25, 200 regarding the status of the 71-#1 well, and your request that Golden Oil submit a Sundry Notice to your office.

Brian, thank you for bringing this problem to my attention. As I mentioned to you over the phone, I have recently been brought on at Golden Oil and I appreciate your patience with us as I resolve this issue.

After reviewing your request, I have decided to put the 71-#1 well back online. I have ordered a meter and meter run from Jade Sales & Service, Inc., Farmington, NM. Due to the extremely high current level of activity in the San Juan basin, equipment shortages are a chronic problem. However, I spoke with Mr. Rod Grimes of Jade Services this morning, and he is cautiously optimistic that the parts can be located and installed in short order. I have already had our field personnel clear and prep the location. The well is connected to a compressor, and I don't anticipate any serious obstacles at this point. I will notify your office when the work is completed, and I will file the appropriate change of well status paperwork.

Once again, Brian, I apologize for any perceived lack of attention from Golden Oil regarding this matter. It is certainly the Company's intention to follow BLM guidelines in a timely and efficient manner.

Periew well states in 90 days

ACCEPTED FOR RECORD

10/19/00

Tickille 7, #1 weeken de Rhade - 20.039-00120

P-3-234-4W 5

If you have any questions in connection with the 71-#1 well, or any other matter, please don't hesitate to contact me here in Houston at (713) 622-8492 (E-mail: goldenoilco@aol.com), or our Field Supervisor, Mr. Dale Burns @ (505) 320-7252.

Sincerely yours,

Ted Oldham

Director of Operations Golden Oil Company

Teel Oldhe

cc: Ralph T. McElvenny, Jr.

President

Golden Oil Company

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