

NORTHSTAR OIL AND GAS

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February 25, 2000

Mr. Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, NM 87410



Subject: Barbara Well No. 1 -- 12P, T29N, R15W

Dear Mr. Chavez:

30-045-24263

I spoke with Mr. Charlie Perrin, of the Aztec NMOCD this morning regarding the referenced well, which he has asked Northstar to bring into compliance with Rule 201.B. As I told him, and per my sundry approved January 20, work has commenced on the well. However, what started out as a relatively simple plunger lift installation has turned into a more involved fishing job and workover, which is being scheduled at this time.

At the time of our conversation Mr. Perrin asked that I provide him this information in a letter.

Respectfully,
Northstar Oil and Gas Corp.

John C. Corbett
President