

March 31, 2000

Mr. Frank Chavez, Supervisor District 3  
New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, New Mexico 87410



Re: Transfer of Ownership and Operations  
Carracas Canyon Unit Wells

Dear Mr. Chavez:

Please be advised that effective January 1, 2000 Nassau Resources, Inc. (OGRID 015515) has sold all of its right, title and interest in Carracas Canyon Unit wells listed on attached Table 1 to Vastar Resources, Inc. (OGRID 036619), whose address is 1816 E. Mojave, Farmington, NM 87401. Vastar will become operator of the wells effective April 1, 2000.

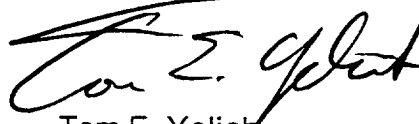
This letter and table are in lieu of submitting individual Forms C-104 for the transfer of ownership of each well.

Thank you for your help in this matter.

Sincerely,  
Nassau Resources, Inc

  
M. Burke McHugh  
President

Vastar Resources, Inc.

  
Tom E. Yelich  
Attorney-in-Fact