

Northstar Oil and Gas

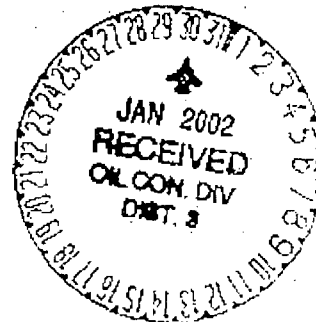
P.O. Box 93

FARMINGTON, NM 87499

(505) 327-5751

January 29, 2002

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



Subject: Inactive wells

Dear Mr. Chavez:

I spoke last week with Mr. Charlie Perrin, of your office. He asked that I send to you a letter detailing Northstar's plans to abandon several inactive wells by March of this year. As noted in the voice mail that I left on your telephone today, I believe that Northstar has made progress toward resolving a number of inactive wells that Mr. Perrin and I had discussed. Specifically, two wells have been plugged, one has been returned to production, and a contract with another operator exists to return others to production per a schedule. As I said on the telephone, I would prefer to discuss the specifics of these plans with you at your convenience.

As noted, I will be away until the week of February 4. I will call your office at that time.

Very truly yours,
Northstar Oil and Gas

A handwritten signature in cursive script that reads "John C. Corbett".

John C. Corbett
President

*Two Wells
inactive*