

POLARIS PRODUCTION CORP.
OIL & GAS PRODUCERS

415 WEST WALL STREET, SUITE ~~2040~~ 1124
MIDLAND, TEXAS 79702

DAVIS PAYNE
PRESIDENT

TELEPHONE 915-684-8248
REPLY TO: P. O. BOX 1749

October 1, 1996

Mr. Garry Wick
New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88241-1980

Dear Sir:

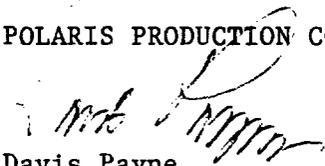
In response to your telephone conversation of this date wherein you pronounced that we had "done nothing" in the last month on our properties in the Denton Field, I wish to inform you of the following third party charges that were incurred in addition to what we had done ourselves, namely:

8-20-96	Clean oil around battery and vacuum pits.	\$321.45
9-20-96	Clean oil around battery and equipment.	387.96
9-26-96	Repair stuffing box leak.	222.17
			<hr/>
Total:			\$931.58

In addition, during this time period there were several deluge type rains that destroyed some of the "house-keeping" that was done.

Yours very truly,

POLARIS PRODUCTION CORP.


Davis Payne