

HARVARD PETROLEUM CORPORATION

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June 3, 1999

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Catarack

**Re: Case No. 12104; Order #R-11149-A
Application of Harvard Petroleum
Corporation for Compulsory Pooling
Roosevelt County, New Mexico**

Dear Ms. Wrotenbery:

Pursuant to Paragraph (3) on Page 5 of OCD Order #R-11149-A, enclosed is a copy of the Williams Well #1 Authority for Expenditure (AFE) showing an itemized schedule of estimated well costs. Also enclosed is a copy of our letter of transmittal mailed to each known working interest owner showing that a copy of the AFE was being sent to them.

Pursuant to Paragraph (5) on Page 5 of the Order, an itemized schedule of actual well costs will be furnished to the Oil Conservation Division and to each known working interest owner within 90 days following completion of the Williams Well #1.

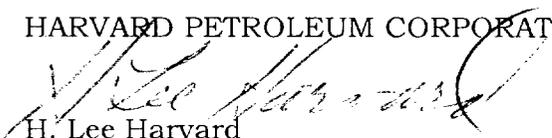
In reference to Paragraph (16) on Page 6 of the Order, on May 21, 1999 an Application for Administrative Approval of an Unorthodox Well Location was mailed to the Oil Conservation Division; and on June 1, 1999, a signed waiver of any rights to object was mailed to the Division.

Subject to obtaining administrative approval for the unorthodox location, Harvard plans to commence operations on the Williams Well #1 on June 16, 1999 or soon thereafter.

Thank you for the efficient and prompt handling of this matter.

Sincerely,

HARVARD PETROLEUM CORPORATION


H. Lee Harvard
President

HLH/rb
Enclosures