

FI-RO CORPORATION
RR4 6228 DEVONIAN
ROSWELL,NM.88201



MR.DAVID CATANACH
OIL CONSERVATION DIVISION
2040 S. PACHECO ST.
SANTA FE,NM.87505

RE:GP11 ENERGY,INC.

MR CATANACH

SOMETIME OVER A YEAR AGO , A PETROLEUM ENGINEER NAMED LEE, CALLED AND ASK IF WE WOULD PARTICIPATE IN A WATER FLOOD UNIT ,TAKING OUR KENNEDY FEDERAL LEASE. I TOLD HIM WE WOULD NOT PARTICIPATE IN THE UNIT BUT WOULD SELL HIM OUR WELLS FOR \$125000 ,INCLUDING RIG,TRUCK AND OTHER SPARE EQUIPMENT, MR LEE CALLED BACK AND SAID MR SIRGO WANTED TO BUY OUR WELLS. THE NEXT THING WE HEARD WAS WHEN WE GOT A N INVOICE FOR OPERATING EXPENSES. NOW WITH NOTHING BEEN DONE THE OPERATING EXPENSES WERE OVER \$38000.00 ,WE WOULD LIKE TO BE EXCLUDED FROM THE UNIT. AS WE NEVER AGREED TO ANYTHING BUT TO SELL OUR WELLS AND THIS DOES NOT MEAN WE WOULD BE INCLUDED IN OPERATING EXPENSES.I DON'T KNOW IF YOU ARE THE ONE TO STOP OUR WELLS FROM BEING TAKEN, AND BEING BILLED FOR TAKING THEM,BUT IF YOU ARE I WOULD REALLY APPRECIATE YOU DOING SO,IF NOT WOULD YOU PLEASE LET ME KNOW WHO COULD HELP.

I REALLY APPRECIATE YOUR TAKING TIME TO READ THIS LETTER.IF I CAN DO ANYTHING TO SPEED THIS ALONG,PLEASE CONTACT US AT :

TOMMY MCDONALD
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