

HOLLAND & HART LLP

and  
CAMPBELL & CARR

ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE • CASPER  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

Michael H. Feldewert

mfeldewert@westofpecos.com

August 20, 2001

Harold M. Hansen  
Noseco Corporation  
7400 Lakeside Drive  
Reno, NV 89511

**Re: Prowler Federal #2 Well  
E/2 Section 5, T-25-N, R-2-W**

Dear Mr. Hansen:

McElvain is in receipt of Noseco's August 10<sup>th</sup> letter purporting to remove NM&O as operator of the above referenced well in favor of Richard Altman & Company or its subcontractor Falcon Petroleum as "successor operator." Please provide to McElvain the following information:

- A. All "ballots" upon which you rely to represent that "a majority of Working Interest percentage owners have already voted" to remove NM&O as operator of the subject well;
- B. A copy of the February 22, 1988 revised Joint Operating Agreement you contend covers the E/2 of Section 5, T-25-N, R-2-W, and identify the particular provisions of the Joint Operating Agreement that you believe support your "balloting" and removal efforts;
- C. The assignments, contracts or other documents under which your proposed "successor operator" (Richard Altman & Company) holds an interest in the property subject to the Joint Operating Agreement for this well; and
- D. Identify the particular provisions of the Joint Operating Agreement and the factual basis supporting your suggestion to abandon the existing producing zone in the subject well in favor of a Mesa Verde formation.

Sincerely,



Michael H. Feldewert

MHF

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

Harold M. Hanson  
August 20, 2001  
Page 2

cc: David Brooks  
Mona Binion  
Mary Walta