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July 29, 2002

Via Fax

David Catanach Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Case No. 12904/Arch Petroleum, Inc.

Dear Mr. Catanach:

Please continue the above case to the August 22nd hearing. The parties have reached verbal agreement on participation, and need time to finalize the deal. Thank you.

Very truly yours,

Attorney for Arch Petroleum Inc.