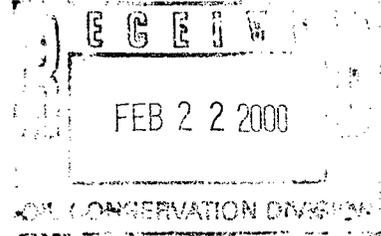




Yolanda Perez
Regulatory Analyst
EPNA - Gulf Region
Lobo/San Juan Asset Unit

Conoco Inc.
P.O. Box 2197 - DU3066
Houston, TX 77252
(281) 293-1613

February 14, 2000



New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

**RE: San Juan 28-7 Unit No. 48
Unit L, Section 21, T-28N, R-7W
Rio Arriba County, New Mexico**

Dear Mr. Catanach,

As per our telephone conversation on February 14, 2000, I am providing additional information regarding the allocation of production between the Fruitland Coal and Pictured Cliffs formations. Upon completion, each zone will be isolated and tested individually and the remainder of total well production, after the Mesaverde production has been subtracted, will be allocated according to those test.

If any further information is needed or required, please call me at (281) 293-1613.

Sincerely,

CONOCO INC.


Yolanda Perez
Regulatory Analyst
Lobo/San Juan Asset