

W. JAMES LANGLEY

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August 5, 2003

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

Re: My letter to you dated July 10, 2003

Dear Sir:

After receiving a detailed letter from John D. Roe of Dugan Production all my concerns are addressed to my satisfaction and apparently Mr. Dugan and staff have handled this matter (comingling) in an appropriate, honest and fair manner.

I pray you will accept this letter as a complete nullification of my previous letter and there will be no reflection on the honesty, integrity or character of Dugan Production, Mr. Dugan or his staff. There was a complete misunderstanding on my part of what was about to happen (and has with other parties).

Please let this matter be dropped and closed with Mr. Roe's very appropriate and well written clarification.

Sincerely,


W. J. Langley, Trustee
D & J Trust

CC: John D. Roe
Engineering Manager
Dugan Production Corporation