

CORONADO EXPLORATION CORPORATION

1005 MARQUETTE N.W.
ALBUQUERQUE, NEW MEXICO 87102
TELEPHONE (505) 242-2050
(505) 843-6762

WHEN REPLYING
PLEASE REFER TO: Martinez Federal #1
660 FNL & 660 FWL
Sec. 22-T6N-R17E

September 18, 1980

U.S. Geological Survey
P.O. Drawer 1857
Roswell, New Mexico 88201

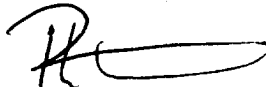
Dear Sirs:

The surface owner of the subject location is Mr. Julian Martinez. I went to visit with him September 16, 1980 about surface restoration. Unfortunately, Julian was sick so I talked with Telesaforo Martinez, his brother, using Mr. Eugene Perez as an interpreter. Telesaforo and I agreed that damages should be paid to Mr. Bill Blakely since he is leasing the grass for the next 11 years. Telesaforo told me that all he wanted done after abandonment of the location was for Coronado Exploration Corp. to fill and level the pits and clean location of all junk.

We plan to commence drilling this well September 30, 1980, so if there are any problems please call me collect; (505) 242-2050

Thanks.

Sincerely,



Phelps White
Engineer

JPW/gg