

CIBOLA ENERGY CORPORATION

PO Box 1668, Albuquerque, NM 87103

phone: (505) 242-2050; facsimile: (505) 242-8501

AUG - 9 2001

August 7, 2001

Re: Simms Ranch # 1, Mora
County, 660' FSL & 1980' FWL
Sec. 9, T. 21N, R. 21E.

Mr. Roy Johnson
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87504

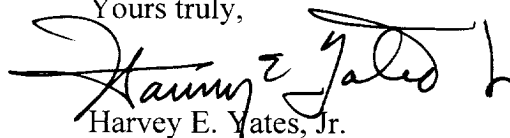
Dear Mr. Johnson:

We called the OCD in Santa Fe today and were given your name as the person still responsible for Mora County activity. Anne Riggs left a phone message for you. Essentially, she was requesting copies of any information the OCD might have in its files to assist us in coming up with a plugging proposal for the subject well.

To the best of my memory the subject well was drilled by an Oklahoma operator named Smith. When Heyco (or perhaps Coronado Exploration) acquired a lease on the Simms ranch a condition of the lease was that it assume operations on the subject well, which at the time, I believe, was a shut-in gas well. Subsequently, Coronado acquired the lease from Heyco and Coronado became Cibola Energy Corporation.

The records we have indicate that you visited the well in 1982, related to inspecting it for mechanical integrity. The well has been shut in since. Though the well, as best we can determine from our records, was considered to be capable of producing gas into a low pressure pipeline, we have given up our leases in the area, have no exploration plans there, and, consequently, we wish to plug the well. We have visited with a rig operator out of Colorado (Walsenburg) about plugging it, but we find that we lack the information to put together a plugging proposal. For instance, we don't know the casing size, we are not sure of its depth, we have no log on the well or completion report. If you could furnish us information from the OCD file sufficient to put together a plugging proposal, I would appreciate it.

Yours truly,



Harvey E. Yates, Jr.