PRIDE ENERGY COMPANY

(918) 524-9200 ♦ Fax (918) 524-9292 ♦ www.pride-energy.com

Physical Address:

Kensington Tower 2250 East 73rd Street, Suite 550 Tulsa, OK 74136 Mailing Address: Email Address: P.O. Box 701950 Tulsa, OK 74170-1950 mattp@pride-energy.com

October 6, 2006

State of New Mexico Oil Conservation Division 1000 Rio Brazos Rd. Aztec, NM 87410

ATTN: Charlie Perrin
District Supervisor

RE:

San Isidro #12-10

Section 12-20N-3W 30-043-20856

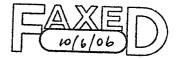
Sandoval County, New Mexico

Via Fax (505) 334-6170 1 Total Page

Telephone: (505) 334-6178, ext. 11

Via Certified Mail Return Receipt #

91 3408 2133 3930 6188 7454



Dear Charlie:

In reference to the above well, and in accordance with our discussions during our telephone conference on October 4, 2006, we have hired Envirotech, Inc. of Farmington, New Mexico to perform a Site Assessment on the San Isidro #12-10 tank battery area where the oil spill occurred. According to Julie Thompson with Envirotech, (505) 632-0615, they plan to perform the Site Assessment next week, which is the week of October 9, 2006. As soon as we receive the Site Assessment we will submit a more detailed remediation plan and promptly commence remediating the affected area.

Thank you Charlie, and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,

Matthew L. Pride Pride Energy Company

CC: 1. Cheryl O'Connor
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

mater L. Pride

2. James Bruce Attorney at Law Via Fax: (505) 982-2151

