

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: P.O. Box 701950
Tulsa, OK 74170-1950
Email Address: 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

FAXED
10/6/06

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

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

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10/6/06