

(972) 479-9701

April 14, 1999

Mr. Joe Incardine Bureau of Land Management 435 Montano Rd. N.E. Albuquerque, NM 87107 RECEIVED MAY - 7 1999

OIL CON. DIV. Dist. 3

Re: NMSF 080565A

Yaffee #1 Well, located NE¼NE¼, Sec. 6, T25N, R3W, NMPM

Dear Mr. Incardine:

Please be advised that the above referenced well is involved in a legal disposition involving Cayias, Inc. a Utah Corporation. Cayias, Inc. became involved in a shareholder dispute and all decisions regarding the disposition of this well and other assets in the Corporation have been under judicial review. It is not possible to ascertain when this situation will be finalized. It is our desire to proceed with a workover to try and return the well to commercial status. We are limited in what we can do at this time because of the pending disposition of Cayias, Inc.

As soon as the legal issues are cleared up on this well, we will proceed with plans to either return the well to commercial status or plug and abandon the well. This decision will be based on economic factors and an assessment of the well. For this reason, we request approval for temporary abandonment and will proceed with a well evaluation test within 120 days from May 1, 1999. Based on this evaluation, we will then either try to return the well to commercial status or plug and abandon the well.

Very truly yours,

John Cayias President

JC:jc

AFMSS

Appvl DPfs/

Surf

Adjud@my XC: Engr Dyy Geol

Mr. David Sitzler

Approade MAY

Lands and Mineral Resources

Shurin 1-98

50 039-06/88 Dista ?

4 1999





(972) 479-9701

April 14, 1999

Mr. Joe Incardine Bureau of Land Management 435 Montano Rd. N.E. Albuquerque, NM 87107



Re: NMSF 080565A

Yaffee #1 Well, located NE¼NE¼, Sec. 6, T25N, R3W, NMPM

Dear Mr. Incardine:

Please be advised that the above referenced well is involved in a legal disposition involving Cayias, Inc. a Utah Corporation. Cayias, Inc. became involved in a shareholder dispute and all decisions regarding the disposition of this well and other assets in the Corporation have been under judicial review. It is not possible to ascertain when this situation will be finalized. It is our desire to proceed with a workover to try and return the well to commercial status. We are limited in what we can do at this time because of the pending disposition of Cayias, Inc.

As soon as the legal issues are cleared up on this well, we will proceed with plans to either return the well to commercial status or plug and abandon the well. This decision will be based on economic factors and an assessment of the well. For this reason, we request approval for temporary abandonment and will proceed with a well evaluation test within 120 days from May 1, 1999. Based on this evaluation, we will then either try to return the well to commercial status or plug and abandon the well.

Very truly yours,

John Cayias President

JC:jc

AFMSS

Surf

Adjud/2m/ Engr Diy Geol

Appvl Mts/4/

Mr. David Sitzler

4 1999

Lands and Mineral Resources