

T. H. McELVAIN OIL & GAS LIMITED PARTNERSHIP
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December 5, 2001

BUREAU OF LAND MANAGEMENT
435 Montano Rd. NE
Albuquerque, NM 87107-4935

Attn: Brian W. Davis

RE: NMNM 103462
3183 (010-amj)
Cougar Com 33 #1 well
Sec. 33-T26N-R2W
Rio Arriba County, New Mexico



Gentlemen:

We are in receipt of your letter dated November 13, 2001, regarding the captioned well and Communitization Agreement (CA). Please be advised that the Gavilan-Greenhorn-Graneros-Dakota formation is capable of producing in paying quantities as shown from its previous production rates (September 2000 production - 136 MCFD and 2.25 BOPD).

Last year we shut in the Gavilan-Greenhorn-Graneros-Dakota formation so that we could complete and test the Mesaverde formation. The Mesaverde production is under CA NMNM 103487. Now that we have been able to complete and adequately test the Mesaverde formation it is our intent to file for approval to commingle the Gavilan-Greenhorn-Graneros-Dakota and Mesaverde production. Therefore, we do not believe that the CA should be terminated at this time since the well can produce from the Greenhorn-Graneros-Dakota formation.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Denise R Greer

Denise R. Greer
Consulting Landman

ACCEPTED

JAN 23 2002

/s/ Brian W. Davis