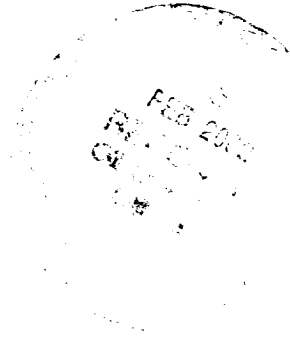


February 4, 2002

Mr. Charlie Perrin  
New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, NM 87410



Re: Dugan's Irish #1J (API No. 30-045-23887)  
Unit P, Section 12, T-26N, R-13W  
WAW Fruitland Sand- Pictured Cliffs Gas Pool  
San Juan County, New Mexico

Dear Charlie,

I'm writing to follow up our telephone conversation regarding the captioned well.

It is my understanding that you are willing to extend to 05/01/02 the NMOCD's 01/31/02 directive to either plug or temporarily abandon this well during February 2002. This will give us additional time to pursue options to produce multiple wells within an established spacing unit.

I have added the Irish No. 1J to our list of idle wellbores. It is our intention to submit a monthly report of work to date and a status update for our idle wells.

On or before 05/01/02, I will review with you our progress to date on the Irish No. 1J.

Thank you for allowing the additional time.

Sincerely,

John D. Roe  
Engineering Manager

JDR:sh

OK  
cf