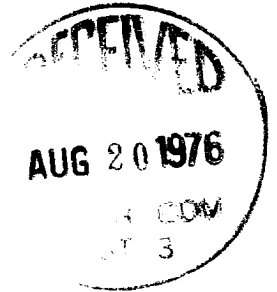


BLACKWOOD & NICHOLS COMPANY

P. O. BOX 1237

DURANGO, COLORADO 81302

August 18, 1976



TO ALL WORKING INTEREST OWNERS:

Re: Northeast Blanco Unit Well No. 105A
1010' F/SL - 920' F/EL
Sec. 24-30N-8W
San Juan County, New Mexico

By terms of the New Mexico Oil Conservation Commission order R-1670-T and by memorandum dated, January 6, 1975, the above referenced well number cannot be classified as an infill well after being completed in the Chacra Formation.

The Northeast Blanco Unit is still required to drill a well to the base of the Point Lookout Formation in order to meet offset and infill obligations.

In line with our established numbering system, please delete Well No. 105A and as of this date, 8-18-76, it will be numbered: Northeast Blanco Unit No. 64.

Very truly yours,

BLACKWOOD & NICHOLS COMPANY


DeLasso Loos
District Manager

DL:lw