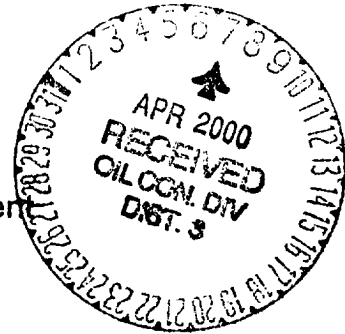


NASSAU

Nassau Resources, Inc.
650 South Cherry, Suite 1225
Denver, Colorado 80246-1894
(303) 321-2111 FAX (303) 321-1563

March 31, 2000

Mr. Frank Chavez, Supervisor District 3
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410



Re: Transfer of Ownership and Operations
Carracas Canyon Unit Wells

Dear Mr. Chavez:

Please be advised that effective January 1, 2000 Nassau Resources, Inc. (OGRID 015515) has sold all of its right, title and interest in Carracas Canyon Unit wells listed on attached Table 1 to Vastar Resources, Inc. (OGRID 036619), whose address is 1816 E. Mojave, Farmington, NM 87401. Vastar will become operator of the wells effective April 1, 2000.

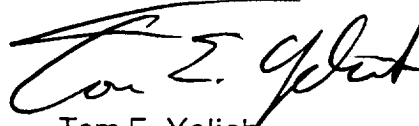
This letter and table are in lieu of submitting individual Forms C-104 for the transfer of ownership of each well.

Thank you for your help in this matter.

Sincerely,
Nassau Resources, Inc


M. Burke McHugh
President

Vastar Resources, Inc.


Tom E. Yelich
Attorney-in-Fact