

November 10, 2000

Robert McCasland P.O. Box 206 Eunice, New Mexico 88231

SENT VIA CERTIFIED MAIL

RE: Damage Payments for the SEMU Burger #152

Dear Mr. McCasland:

Conoco Inc. plans to drill the above referenced well during the first fiscal quarter of 2001. The damage payments, based on the recent history of like payments made to you by Conoco Inc., are outlined as follows:

SEMU #152

2630' FNL and 1530' FEL, 19-T20S-R38E, Lea County, NM

Location

Flowline

(124.24 rods @ per rod). Please note that the flowline will

be adjacent and parallel to an existing lease road

Powerline

\$ (37.39 rods @ \$1

per rod)

TOTAL

Remaining sincerely yours,

Please contact me at 915-686-6548 in order that we might further discuss these matters.