May 5, 2005

MAR Oil & Gas Corp P.O. Box 5155 Santa Fe, New Mexico 87502 505-989-1977 – Office

Oil Conservation Division 1220 South St, Francis Dr. Santa Fe, New Mexico 87505

RE:

Agreed Compliance Order (ACO)

Ms. Gail MacQuesten:

The following wells are in compliance with Agreed

Compliance Order.

Eumont Hard Unit No 49	API No 30-025-23859	January first production
Hill A No 8	API No 30-025-23941	January first production
Federal A No 2	API No 30-025-25115	March first production
Rich Unit No 1	API No 30-025-23510	May first production

The above wells have been tested and producing. MAR has filed the appropriate OCD forms with OCD District I and BLM office Roswell New Mexico. MAR is in compliance with the A.C.O. to May 2005. If you have any questions please contact me at 505-989-1977 extension 103.

Sincerely:

Duane C. Winkler VP Operations

cc Mr. Billy Prichard

