

ANGELL RANCH PROSPECT

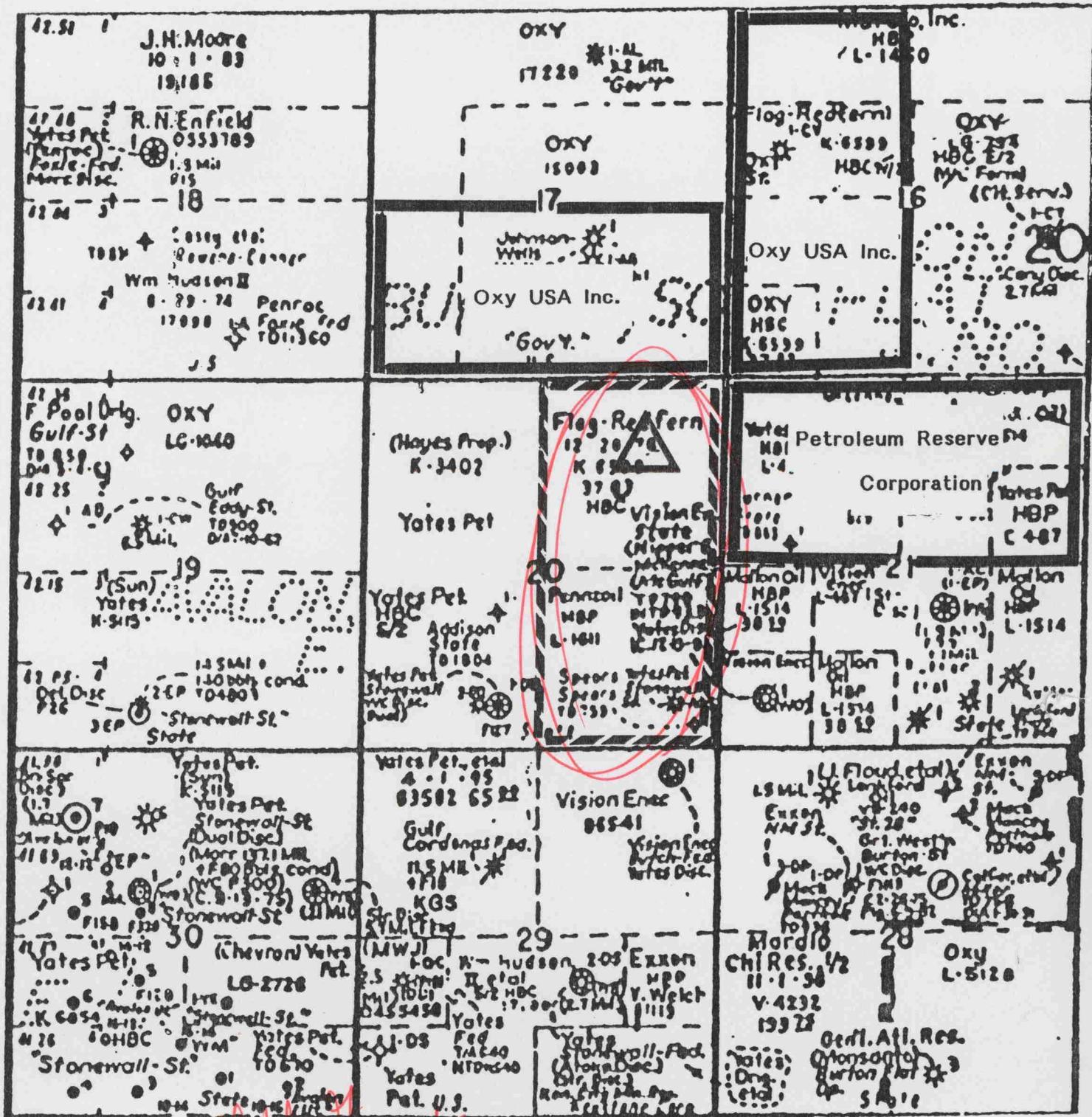
State of New Mexico 20-1 Well

Unit: E/2 of Sec. 20-20S-28E

Location: 990' FNL & 990' FEL

Sec. 20-20S-28E

EDDY COUNTY, NEW MEXICO



Stonewall Unit Agreement
~~SW/4~~
 → Incl. Sec 20 except NW/4

E/2 SECTION 20 OWNERSHIP

See attached Exhibit "A"

SW/4 SECTION 21 OWNERSHIP

See attached Exhibit "B"

NEW MEXICO
 OIL CONSERVATION DIVISION

Inter Coast EXHIBIT 1

CASE NO. 11666

EXHIBIT "A"

Ownership:

InterCoast Oil and Gas Company

Diamond Head Properties, L.P.

Yates Petroleum Corporation

Yates Drilling Company

Abo Petroleum Corporation

Myco Industries, Inc.

Unit Petroleum Company

Whiting Petroleum Corporation

Ernie Bello

Frances B. Bunn

J. W. Gendron

David Goodnow

Joseph R. Hodge

Sanford J. Hodge, III

E. J. Holden Testamentary Trust

Isaac A. Kawasaki

Betsy H. Keller

Charles Kline Moore

Agnes Kluth Oliver Trust

William B. Oliver Trust

Adolph P. Schuman

Space Building Corporation

Frederick Van Vranken

Claremont Corporation

Mary Hudson Ard

W. A. & E. R. Hudson, Inc.

24.101120%

23.416249%

17.433008%

7.741985%

2.580662%

7.741985%

8.828676%

2.202137%

0.020248%

0.020248%

0.030374%

0.020248%

0.003376%

0.003376%

0.010122%

0.020248%

0.010122%

0.050622%

0.020248%

0.020248%

0.020248%

0.050622%

0.020248%

0.306158%

1.632844%

3.265689%

APR 18%
x.75

Neutral

33%

50% affiliate
100%

Yates

Unit Petroleum Company

EXHIBIT "A" (CONTINUED)

| | |
|---|------------------|
| Hayes Properties, Inc. | 0.230081% |
| Kerr-McGee Corporation | 0.017892% |
| Pennzoil Exploration & Production Company | 0.086280% |
| R. Ken Williams | 0.012372% |
| Edward H. Judson | 0.012372% |
| Martin Living Trust | 0.012372% |
| Devon Energy Corporation | <u>0.057520%</u> |
| TOTAL | 100.000000% |

EXHIBIT "B"

SW/4 Section 21 Ownership:

Vision Energy, Inc.

Petroleum Reserve Corp.

Claremont Oil Corp.

L. A. Williams

PXA Onshore Corp.

John McRae

John B. Wallis

Karen Loewenherz

Milton Berry

Baker Recovery, Inc.

Mallon Oil Co.



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

June 17, 1996

Kerr McGee Corp.
P. O. Box 25861
Oklahoma City, OK 73102

Yes

NEW MEXICO
OIL CONSERVATION DIVISION
InterCoast EXHIBIT 2A
CASE NO. 11666

RE: Farmout Request
E/2 Section 20-20S-28E
Eddy County, NM
IC's Angell Prospect

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

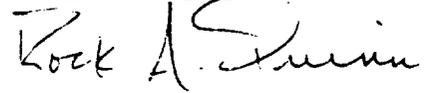
In connection with the test well, InterCoast proposes that Kerr McGee grant us a farmout under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of Kerr McGee's interest from the surface of the earth to the total depth drilled in the test well.
3. Kerr McGee would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Kerr McGee Corp.
June 17, 1996
Page 2

Should you have any questions regarding this proposal,
please contact me at 491-4176.

Very truly yours,

A handwritten signature in cursive script that reads "Rock A. Quinn". The signature is written in dark ink and is positioned above the typed name.

Rock A. Quinn
Senior Landman

RAQ:rkw

angelpro



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

June 17, 1996

Claremont Corp.
P. O. Box 549
Claremont, OK 74017

RE: Farmout Request
E/2 Section 20-20S-28E
Eddy County, NM
IC's Angell Prospect

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that Claremont grant us a farmout under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of Claremont's interest from the surface of the earth to the total depth drilled in the test well.
3. Claremont would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Claremont Corp.
June 17, 1996
Page 2

Should you have any questions regarding this proposal,
please contact me at 491-4176.

Very truly yours,

A handwritten signature in cursive script that reads "Rock A. Quinn". The signature is written in dark ink and is positioned above the typed name.

Rock A. Quinn
Senior Landman

RAQ:rkw

angelpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

June 17, 1996

Pennzoil Corp.
P. O. Box 2967
Houston, TX 77252

RE: Farmout Request
E/2 Section 20-20S-28E
Eddy County, NM
IC's Angell Prospect

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that Pennzoil grant us a farmout under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of Pennzoil's interest from the surface of the earth to the total depth drilled in the test well.
3. Pennzoil would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Pennzoil Corp.
June 17, 1996
Page 2

Should you have any questions regarding this proposal,
please contact me at 491-4176.

Very truly yours,

A handwritten signature in cursive script that reads "Rock A. Quinn".

Rock A. Quinn
Senior Landman

RAQ:rkw

angelpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 26, 1996

Hayes Properties, Inc.
P. O. Box 3700
Midland, TX 79702

NEW MEXICO
OIL CONSERVATION DIVISION

RE: Farmout Request
N/2 Section 20-20S-28E
Eddy County, NM
IC's Angell Prospect

InterCoast EXHIBIT 2B

CASE NO. 11666

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your 50% interest under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Hayes Property, Inc.
August 26, 1996
Page 2

Should you have any questions regarding this proposal,
please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

hayespro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Yates Petroleum Corp.
105 S. 4th St.
Artesia, NM 87196

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

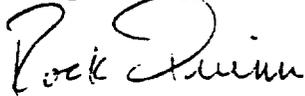
In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Yates Petroleum Corp.
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

2anglpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Unit Petroleum Corporation
7130 South Lewis
Tulsa, OK 74136

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

NEW MEXICO
OIL CONSERVATION DIVISION
InterCoast
EXHIBIT 2C
CASE NO. 11666

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Unit Petroleum Corporation
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,

A handwritten signature in cursive script that reads "Rock Quinn". The signature is written in dark ink and is positioned directly below the typed name.

Rock A. Quinn
Senior Landman

RAQ:rkw

2anglpro



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Sanford J. Hodge, III
4324 Honover
Dallas, TX 75225

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Dear Mr. Hodge:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Sanford J. Hody, III
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Space Building Corporation
250 Cape Highway, Route 44
East Taunton, MA 02713

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Space Building Corporation
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

2angipro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Ernie Bello
3325 Ala Akulikuli
Honolulu, Hawaii 96818-2215

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Dear Mr. Bello:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Ernie Bello
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

2anglpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Frederick Van Vranken
Cedar Swamp Road, Box 264
Jericho, NY 11753

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Dear Mr. Van Vranken:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

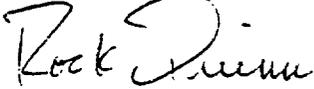
In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Frederick Van Blanken
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

2anglpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Edward R. Hudson, Jr. and Ann F. Hudson
616 Texas St.
Ft. Worth, TX 76102

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Dear Mr. and Mrs. Hudson:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Edward R. Hudson, Jr. and Ann F. Hudson
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,

A handwritten signature in cursive script that reads "Rock A. Quinn". The signature is written in dark ink and is positioned above the typed name.

Rock A. Quinn
Senior Landman

RAQ:rkw



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Karen V. Martin and William H. Martin,
Trustees of the Martin Living Trust
400 West Illinois, Suite 1100
Midland, TX 79701

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Dear Mr. and Mrs. Martin:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Karen V. Martin and William H. Martin,
Trustees of the Martin Living Trust
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

LAJ Corp.
P. O. Box 10626
Midland, TX 79702-7626

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

LAJ Corp.
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,

A handwritten signature in cursive script that reads "Rock A. Quinn".

Rock A. Quinn
Senior Landman

RAQ:rkw

2angipro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Brown Brothers Harriman Trust Company
Trustee of the William B. Oliver
Trust and Successor Trustee of the
Agnes Cluth Oliver Trust
2001 Ross Ave., Suite 1150
Dallas, TX 75201

9/4:
Robt. McKenzie
214/979-6034

and Wm. B. Oliver.

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th

Brown Brothers Harriman Trust Company
Trustee of the William B. Oliver
Trust and Successor Trustee of the
Agnes Cluth Oliver Trust
August 30, 1996
Page 2

royalty, and would be proportionately reduced to the
interest being assigned.

We would appreciate hearing your thoughts on this request at
your earliest convenience. If you have any questions or
would like to discuss this proposal, please contact me at
491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Mary Hudson Ard
4808 Westridge Ave.
Ft. Worth, TX 76116

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Dear Ms. Ard:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Mary Hudson Arc.
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

2anglpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

David Goodnow
230 Ridgefield Road
Wilton, CT 06897

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Dear Mr. Goodnow:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

David Goodnow
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,

A handwritten signature in cursive script that reads "Rock A. Quinn".

Rock A. Quinn
Senior Landman

RAQ:rkw

2anglpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Edward H. Judson and
Marilyn M. Judson
400 West Illinois, Suite 1100
Midland, TX 79701

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Dear Mr. and Mrs. Judson:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Edward H. Judson and
Marilyn M. Judson
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

William A. Hudson, II and
Betty C. Hudson
616 Texas St.
Ft. Worth, TX 76102

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Dear Mr. and Mrs. Hudson:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

William A. Hudson, II and
Betty C. Hudson
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, OK 73102

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Devon Energy Corporation
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Frances B. Bunn
2493 Makiki Heights Drive
Honolulu, Hawaii 96822

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Dear Ms. Bunn:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Frances B. Bunn
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



Sold to you
JJP

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

Stonewall Unit State Com
Dist 2
D. State 1

August 30, 1996

Tipperary Oil & Gas Corporation
633 17th St., Suite 1550
Denver, CO 80202

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Tipperary Oil & Gas Corporation
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

August 30, 1996

Tipperary Oil & Gas Corporation
633 17th St., Suite 1550
Denver, CO 80202

*Sold to Y&T = 0
8/1/96
efb*

RE: Farmout Request
Section 20-20S-28E
Eddy County, NM
IOGC's Angell Prospect

Gentlemen:

InterCoast Oil and Gas Company (formerly named Medallion Production Company) is interested in the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

In connection with the test well, InterCoast proposes that you grant us a farmout of your contractual ownership in that certain Stonewall Unit Operating Agreement dated 11/1/73 under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Tipperary Oil & Gas Corporation
August 30, 1996
Page 2

We would appreciate hearing your thoughts on this request at your earliest convenience. If you have any questions or would like to discuss this proposal, please contact me at 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

2anglpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 1, 1996

Yates Petroleum Corp.
105 South 4th Street
Artesia, NM 87196

Attention: Ms Janet Richardson

RE: State of New Mexico #20-1
Section 20-20S-28E
Eddy County, New Mexico
IOGC's Angell Ranch Prospect

Gentlemen:

Enclosed for your review and comments please find a copy of InterCoast Oil and Gas Company's proposed Operating Agreement covering the captioned unit.

Also enclosed are two (2) copies of our AFE for the drilling of the captioned well.

Should you desire to participate, please sign, date and return one (1) copy of the AFE together with any comments you may have in regard to our proposed Operating Agreement. At such time as the working interests are finalized and any comments reviewed, we will furnish each working interest owner with a signed copy of the Operating Agreement for their execution and return.

Should you wish to discuss any proposed changes to the Agreement, please feel free to contact me at 918/491-4176.

Very truly yours,

Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures

stnmjoa

NEW MEXICO
OIL CONSERVATION DIVISION
InterCoast
EXHIBIT 2D

CASE NO. 11666



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 1, 1996

Hayes Properties Inc.
P. O. Box 3700
Midland, TX 79702

Attention: Mr. Brad Bennett

RE: State of New Mexico #20-1
Section 20-20S-28E
Eddy County, New Mexico
IOGC's Angell Ranch Prospect

Gentlemen:

Enclosed for your review and comments please find a copy of InterCoast Oil and Gas Company's proposed Operating Agreement covering the captioned unit.

Also enclosed are two (2) copies of our AFE for the drilling of the captioned well.

Should you desire to participate, please sign, date and return one (1) copy of the AFE together with any comments you may have in regard to our proposed Operating Agreement. At such time as the working interests are finalized and any comments reviewed, we will furnish each working interest owner with a signed copy of the Operating Agreement for their execution and return.

Should you wish to discuss any proposed changes to the Agreement, please feel free to contact me at 918/491-4176.

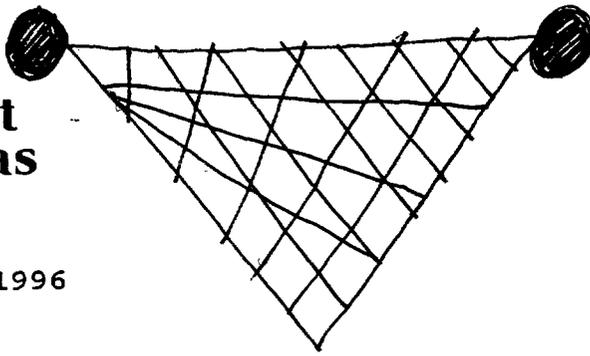
Very truly yours,

A handwritten signature in cursive script that reads "Rock A. Quinn".

Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures

stanjoe



InterCoast Oil and Gas Company
 7130 South Lewis Avenue
 Suite 700
 Tulsa, Oklahoma 74136
 918 488-8283 Telephone
 918 488-8182 Fax

October 24, 1996

Unit Petroleum Corporation
 7130 South Lewis
 Tulsa, OK 74136

Attention: Leslie Naughton

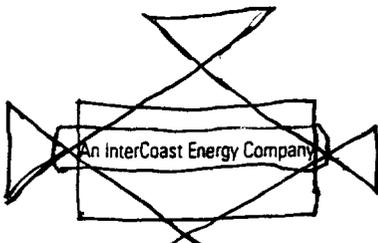
RE: Well Proposal
 N/2 Section 20-20S-28E
 Eddy County, NM
 IOGC's Angell Ranch Prospect

Gentlemen:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

Should you desire to participate, please sign, date and return one (1) copy of the AFE together with any comments you may have in regard to the proposed Operating Agreement. At such time as the working interest owners are finalized and any comments reviewed, we will furnish each working interest owner with a signed copy of the Operating Agreement for execution.

As an alternative, IOGC proposes that you farmout your interest, delivering a 75% net revenue interest before payout with the option to convert your reserved override to a proportionate 25% working interest after payout. These are the same terms as set forth in my proposal letter dated August 30, 1996.



NEW MEXICO
 OIL CONSERVATION DIVISION
 InterCoast EXHIBIT 2E
 CASE NO. 116660

Unit Petroleum Corporation
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

angeljoa



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Pennzoil Corp.
P. O. Box 2967
Houston, TX 77252

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

By letter dated June 17, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

Should you desire to participate, please sign, date and return one (1) copy of the AFE together with any comments you may have in regard to the proposed Operating Agreement. At such time as the working interest owners are finalized and any comments reviewed, we will furnish each working interest owner with a signed copy of the Operating Agreement for execution.

As an alternative, IOGC proposes that you farmout your interest, delivering a 75% net revenue interest before payout with the option to convert your reserved override to a proportionate 25% working interest after payout.

Pennzoil Corp.
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

angeljoa



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8263 Telephone
918 488-8182 Fax

October 24, 1996

Sanford J. Hodge, III
4324 Honover
Dallas, TX 75225

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Hodge:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

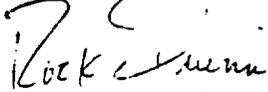
Should you desire to participate, please sign, date and return one (1) copy of the AFE together with any comments you may have in regard to the proposed Operating Agreement. At such time as the working interest owners are finalized and any comments reviewed, we will furnish each working interest owner with a signed copy of the Operating Agreement for execution.

As an alternative, IOGC proposes that you farmout your interest, delivering a 75% net revenue interest before payout with the option to convert your reserved override to a proportionate 25% working interest after payout. These are the same terms as set forth in my proposal letter dated August 30, 1996.

Sanford J. Hodge, III
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Space Building Corporation
250 Cape Highway, Route 44
East Taunton, MA 02713

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

Should you desire to participate, please sign, date and return one (1) copy of the AFE together with any comments you may have in regard to the proposed Operating Agreement. At such time as the working interest owners are finalized and any comments reviewed, we will furnish each working interest owner with a signed copy of the Operating Agreement for execution.

As an alternative, IOGC proposes that you farmout your interest, delivering a 75% net revenue interest before payout with the option to convert your reserved override to a proportionate 25% working interest after payout. These are the same terms as set forth in my proposal letter dated August 30, 1996.

Space Building Corporation
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

angeljoa



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Ernie Bello
3325 Ala Akulikuli
Honolulu, Hawaii 96818-2215

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Bello:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

Should you desire to participate, please sign, date and return one (1) copy of the AFE together with any comments you may have in regard to the proposed Operating Agreement. At such time as the working interest owners are finalized and any comments reviewed, we will furnish each working interest owner with a signed copy of the Operating Agreement for execution.

As an alternative, IOGC proposes that you farmout your interest, delivering a 75% net revenue interest before payout with the option to convert your reserved override to a proportionate 25% working interest after payout. These are the same terms as set forth in my proposal letter dated August 30, 1996.

Ernie Bello
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

angeljca



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Frederick Van Vranken
Cedar Swamp Road, Box 264
Jericho, NY 11753

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Van Vranken:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

Should you desire to participate, please sign, date and return one (1) copy of the AFE together with any comments you may have in regard to the proposed Operating Agreement. At such time as the working interest owners are finalized and any comments reviewed, we will furnish each working interest owner with a signed copy of the Operating Agreement for execution.

As an alternative, IOGC proposes that you farmout your interest, delivering a 75% net revenue interest before payout with the option to convert your reserved override to a proportionate 25% working interest after payout. These are the same terms as set forth in my proposal letter dated August 30, 1996.

Frederick Van Vranken
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

angeljoa



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Edward R. Hudson, Jr. and Ann F. Hudson
616 Texas St.
Ft. Worth, TX 76102

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. and Mrs. Hudson:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

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Edward R. Hudson, Jr. and Ann F. Hudson

October 24, 1996

Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

angeljca



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Karen V. Martin and William H. Martin,
Trustees of the Martin Living Trust
400 West Illinois, Suite 1100
Midland, TX 79701

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. and Mrs. Martin:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

Should you desire to participate, please sign, date and return one (1) copy of the AFE together with any comments you may have in regard to the proposed Operating Agreement. At such time as the working interest owners are finalized and any comments reviewed, we will furnish each working interest owner with a signed copy of the Operating Agreement for execution.

As an alternative, IOGC proposes that you farmout your interest, delivering a 75% net revenue interest before payout with the option to convert your reserved override to a proportionate 25% working interest after payout. These are the same terms as set forth in my proposal letter dated August 30, 1996.

Karen V. Martin and William H. Martin,
Trustees of the Martin Living Trust
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

angeljpa



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

LAJ Corp.
P. O. Box 10626
Midland, TX 79702-7626

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

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LAJ Corp.
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

ange:joa



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Brown Brothers Harriman Trust Company
Trustee of the William B. Oliver
Trust and Successor Trustee of the
Agnes Cluth Oliver Trust
2001 Ross Ave., Suite 1150
Dallas, TX 75201

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

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Brown Brothers Harriman Trust Company
Trustee of the William B. Oliver
Trust and Successor Trustee of the
Agnes Cluth Oliver Trust
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Mary Hudson Ard
4808 Westridge Ave.
Ft. Worth, TX 76116

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Ms. Ard:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

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As an alternative, IOGC proposes that you farmout your interest, delivering a 75% net revenue interest before payout with the option to convert your reserved override to a proportionate 25% working interest after payout. These are the same terms as set forth in my proposal letter dated August 30, 1996.

Mary Hudson Ard
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

angeljoa



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

David Goodnow
230 Ridgefield Road
Wilton, CT 06897

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Goodnow:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

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InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

William A. Hudson, II and
Betty C. Hudson
616 Texas St.
Ft. Worth, TX 76102

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. and Mrs. Hudson:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

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William A. Hudson, II and
Betty C. Hudson
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, OK 73102

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

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InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Edward H. Judson and
Marilyn M. Judson
400 West Illinois, Suite 1100
Midland, TX 79701

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. and Mrs. Judson:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

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Edward H. Judson and
Marilyn M. Judson
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

angeljoa



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

October 24, 1996

Frances B. Bunn
2493 Makiki Heights Drive
Honolulu, Hawaii 96822

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Ms. Bunn:

By letter dated August 30, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

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Frances B. Bunn
October 24, 1996
Page 2

We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw

angel:oa



InterCoast Oil and Gas

October 24, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

Claremont Corp.
P. O. Box 549
Claremont, OK 74017

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

By letter dated June 17, 1996, InterCoast Oil and Gas Company ("IOGC") proposed the drilling of an 11,250' Morrow well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC has obtained a 47.5% working interest in the N/2 of Section 20-20S-28E. Accordingly, we have prepared and enclose for your review and comments a copy of IOGC's proposed Operating Agreement covering the captioned area. Also enclosed are two (2) copies of our AFE for the drilling of the well.

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We would appreciate hearing back from you at your earliest possible convenience. If you have any questions, please contact me at 918/491-4176.

Very truly yours,

A handwritten signature in cursive script that reads "Rock A. Quinn".

Rock A. Quinn
Senior Landman

RAQ:rkw

angeljoa



**InterCoast
Oil and Gas**

395 1741 367

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
318 488-8283 Telephone
318 488-8182 Fax

November 8, 1996

Diamond Head Properties, L. P.
P. O. Box 2127
Midland, TX 79702-2127

Attention: Ms. Shirley Choate

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your estimated 24% working interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

Diamond Head Properties, L.P.

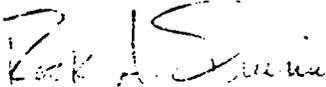
November 8, 1996

Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Please indicate your election by marking the appropriate space provided below and returning one (1) signed copy of this letter to my attention. If you have any questions or would like to discuss this proposal, please contact me at (918) 491-4176.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosure

_____ We elect to participate in InterCoast Oil and Gas Company's proposed well.

_____ We elect to farmout our interest to InterCoast Oil and Gas Company. Please furnish us a farmout agreement for our review and execution.

DIAMOND HEAD PROPERTIES, L. P.

By: _____

INTERCOAST OIL AND GAS COMPANY

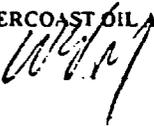
AUTHORIZATION FOR EXPENDITURES

Description of Work: Footage Drill, Log, DST, complete and equip a single zone Morrow Sand gas well

| | | | | | |
|----------|--------------------------|------------|-------------------|-------|------------|
| Prospect | <u>Angell Ranch</u> | Date | <u>8/28/96</u> | | |
| Lease | <u>To Be Determined</u> | Well No. | <u>1</u> | | |
| Location | <u>990' FNL-990' FEL</u> | Section | <u>20</u> | | |
| Field | <u>Atoka Morrow</u> | County | <u>Eddy</u> | | |
| Well TD | <u>11250'</u> | Prim. Obj. | <u>Morrow</u> | | |
| | | AFE No. | | | |
| | | Twp | <u>20S</u> | Range | <u>28E</u> |
| | | State | <u>New Mexico</u> | | |
| | | Sec. Obj. | | | |

| | Before | After | Total | Before | After | Total |
|----------------------------------|----------------|----------------|-----------|---|----------------|-----------|
| | Csg Point | Csg Point | | Csg Point | Csg Point | |
| INTANGIBLE COSTS | <u>BCP-820</u> | <u>ACP-840</u> | | <u>BCP-830</u> | <u>ACP-850</u> | |
| .01 Location/Damage Payment | 4,500 | | 4,500 | .01 Cattle Guards & Fencing | 0 | 0 |
| .02 Location Construction | 17,500 | 1,500 | 19,000 | .02 Csg: Cond. | 0 | 0 |
| .03 Contracted Equipment | 0 | 0 | 0 | .03 Csg: Surface | 8,125 | 8,125 |
| .04 Rotary Rig: MI, RU, RD, MO | 0 | 0 | 0 | 500' 13-3/8" 48# H-40 | | |
| .05 Rotary Rig: Daywork | 11,000 | 11,000 | 22,000 | .04 Csg: Intermediate | 30,500 | 30,500 |
| .06 Rotary Rig: Footage | 191,250 | 0 | 191,250 | 000' 8-5/8" 32# | | |
| .07 Fuel | 2,000 | 0 | 2,000 | .05 Csg: Production | X | 56,900 |
| .08 Drilling Bits | 0 | 0 | 0 | 4-1/2" @ 11250' | | |
| .09 Drilling Fluid | 37,500 | 1,000 | 38,500 | .06 Float Equip, Centrizers, etc. | | 2,000 |
| .10 Mud Disposal | 3,000 | X | 3,000 | .07 Well Head | 8,800 | 11,500 |
| .11 Drill Stem Tests | 4,000 | X | 4,000 | .08 Tubing | X | 26,700 |
| .12 Cement and Cementing Service | 18,000 | 12,000 | 30,000 | 2-3/8", 4.7#, N-80 | | |
| .13 Casing Crew, Equipment | 3,500 | 3,500 | 7,000 | .09 Pump Unit | X | 0 |
| .14 Logging: Open Hole | 9,500 | X | 9,500 | .10 Motor/Engine | X | 0 |
| .15 Completion Rig | X | 15,000 | 15,000 | .11 Rods & Pump | X | 0 |
| .16 Stimulation | X | 75,000 | 75,000 | .12 Pkr & Sub-surface Equip. | X | 10,000 |
| .17 Misc. Pumping Services | 0 | 3,500 | 3,500 | .13 Tanks | X | 6,000 |
| .18 Log & Perf Cased Hole | X | 8,000 | 8,000 | .14 Separator/Production Unit | X | 8,000 |
| .19 Rentals | 5,000 | 5,000 | 10,000 | .15 Heater Treater/Dehydrator | X | 8,000 |
| .20 Water/Water Hauling | 10,500 | 6,000 | 16,500 | .16 Fittings & Small Pipe | X | 12,500 |
| .21 Hauling/Freight | 0 | 1,000 | 1,000 | .17 Other Equipment | 0 | 0 |
| .22 Tubular Inspection | 1,500 | 2,500 | 4,000 | .18 Installation Costs | X | 12,500 |
| .23 Well Testing | 1,500 | 1,000 | 2,500 | .19 Miscellaneous | | |
| .24 Labor: Contract | 2,500 | 2,500 | 5,000 | .20 Contingency | | |
| .25 Company Geologist/Engineer | 2,500 | 0 | 2,500 | Subtotal | \$47,425 | \$154,100 |
| .26 Overhead | 3,700 | 1,000 | 4,700 | | | |
| .27 Professional Services | 17,500 | 6,000 | 23,500 | Pipeline | | PL-880 |
| .28 Insurance | 1,700 | 0 | 1,700 | .01 Line Pipe | X | 25,000 |
| .29 Miscellaneous tax | 14,000 | 7,550 | 21,550 | .02 Metering Equipment | X | 0 |
| .30 Contingency | 500 | 0 | 500 | .03 Meter Sta. Valves, Fittings | X | 0 |
| .31 Coiled Tubing Work | 0 | 3,500 | 3,500 | Subtotal | | \$25,000 |
| .32 Packer Redress | X | | 0 | TOTAL TANGIBLE COSTS | \$47,425 | \$179,100 |
| Subtotal | \$362,650 | \$166,550 | \$529,200 | | | \$226,525 |
| Pipeline | | PL-880 | | TOTAL WELL COSTS | \$410,075 | \$345,650 |
| .01 Tapping Fee | X | | | | | \$755,725 |
| .02 Purchased Right of Way | X | | | Total Well Cost to Casing Point | | \$410,075 |
| .03 Damage Payments | X | | | Plugging Cost | | \$15,000 |
| .04 Right of Way Acquisition | X | | | Total Dry & Abandonment Cost | | \$425,075 |
| .05 Permits | X | | | Total Cost Through Evaluation of Zone of Interest | | \$673,725 |
| .06 Freight | X | | | Prepared By: | LCF/TLR | |
| .07 PL & Meter Sta. Construction | X | | | Estimated Spud Date | | |
| .08 Surveying and Drafting | X | | | InterCoast WIO % | | |
| .09 Field Construction Sup. | X | | | InterCoast Net Expenditure | | \$0 |
| .10 Misc. and Contingency | X | | | Supplement No. | | |
| Subtotal | | | | Original AFE Amount | | |
| TOTAL INTANGIBLE COSTS | \$362,650 | \$166,550 | \$529,200 | Amount This Supplement | | |
| | | | | Revised AFE Amount | | |

INTERCOAST OIL AND GAS COMPANY APPROVED

By:  Date: _____
 By: _____ Date: _____
 By: _____ Date: _____

WORKING INTEREST OWNER APPROVED

Company Name: _____
 By: _____ Date: _____
 Name: _____



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

William A. Hudson, II and
Betty C. Hudson
616 Texas Street
Ft. Worth, TX 76102

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. and Mrs. Hudson:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accomodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

NEW MEXICO
OIL CONSERVATION DIVISION
InterCoast
EXHIBIT *2F*
CASE NO. *11666*

William A. Hudson, II and
Betty C. Hudson
November 11, 1996
Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

David Goodnow
230 Ridgefield Road
Wilton, CT 06897

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Goodnow:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

David Goodnow
November 11, 1996
Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)

5anglpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Mary Hudson Ard
4808 Westridge Avenue
Ft. Worth, TX 76116

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Ms. Ard:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Isaac A. Kawasaki
734 Kalanipuu
Honolulu, HI 96825

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Kawasaki:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918-488-8283 Telephone
918-488-8182 Fax

November 11, 1996

Betsy H. Keller
2524 Union Street
San Francisco, CA 94123

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Ms. Keller:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

Betsy H. Keller
November 11, 1996
Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)

5anglpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

E. G. Holden Testamentary Trust
2524 Union Street
San Francisco, CA 94123

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Charles Cline Moore
138 Harvard Avenue
Mill Valley, CA 94941

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Moore:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Frederick Van Vranken
Cedar Swamp Road, Box 264
Jericho, NY 11753

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Vranken:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

Frederick Van Vranken

November 11, 1996

Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)

Sangipro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Ernie Bello
3325 Ala Akulikuli
Honolulu, Hawaii 96818-2215

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Bello:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

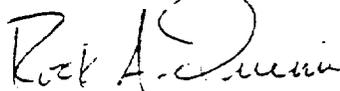
1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

Ernie Bello
November 11, 1996
Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Yates Petroleum Corp.
105 S. 4th Street
Artesia, NM 87196

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Hayes Properties, Inc.
P. O. Box 3700
Midland, TX 79702

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Frances B. Bunn
2493 Makiki Heights Drive
Honolulu, Hawaii 96822

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Ms. Bunn:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Edward H. Judson and
Marilyn M. Judson
400 West Illinois, Suite 1100
Midland, TX 79701

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. and Mrs. Judson:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

Edward H. Judson and
Marilyn M. Judson
November 11, 1996
Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, OK 73102

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Brown Brothers Harriman Trust Company
Trustee of the William B. Oliver
Trust and Successor Trustee of the
Agnes Cluth Oliver Trust
2001 Ross Ave., Suite 1150
Dallas, TX 75201

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

Brown Brothers Harriman Trust Company
Trustee of the William B. Oliver
Trust and Successor Trustee of the
Agnes Cluth Oliver Trust
November 11, 1996
Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

LAJ Corp.
P. O. Box 10626
Midland, TX 79702-7626

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Karen V. Martin and William H. Martin,
Trustees of the Martin Living Trust
400 West Illinois, Suite 1100
Midland, TX 79701

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Ladies and Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

Karen V. Martin and William H. Martin,
Trustees of the Martin Living Trust
November 11, 1996
Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,


Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Edward R. Hudson, Jr. and
Ann F. Hudson
616 Texas Street
Ft. Worth, TX 76102

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. and Mrs. Hudson:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

Edward R. Hudson, Jr. and
Ann F. Hudson
November 11, 1996
Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Joseph R. Hodge
3815 Roxbury Ct.
Colorado Springs, CO 80906

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Hodge:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

Joseph R. Hodge
November 11, 1996
Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

J. W. Gendron
1280 Encino Drive
San Marino, CA 91108

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Gendron:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Myco Industries, Inc.
105 South Fourth Street
Artesia, NM 88210

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Space Building Corporation
250 Cape Highway, Route 44
East Taunton, MA 02713

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Sanford J. Hodge, III
4324 Hanover
Dallas, TX 75225

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Hodge:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

Sanford J. Hoage, III

November 11, 1996

Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)

Sanglpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Pennzoil Exploration &
Production Company
P. O. Box 2967
Houston, TX 77252-2967

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Unit Petroleum Corporation
7130 South Lewis
Tulsa, OK 74136

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Claremont Corp.
P. O. Box 549
Claremont, OK 74017

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Whiting Petroleum Corporation
1700 Broadway, Suite 2300
Denver, CO 80290-2301

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Abo Petroleum Corporation
331 West Main St., Suite A
Artesia, NM 88210-2160

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

R. Ken Williams
P. O. Box 10626
Midland, TX 79702-7626

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Williams:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Yates Drilling Company
110 South 4th Street
Yates Building
Artesia, NM 88210-2123

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Adolph P. Schuman
400 Sansome Street
San Francisco, CA 94111

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Schuman:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

W. A. & E. R. Hudson, Inc.
616 Texas Street
Ft. Worth, TX 76102-4612

RE: Well Proposal
E/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the Operating Agreement previously submitted for your consideration. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20. As you are aware, IOGC has previously proposed the drilling of this well on the basis of a N/2 Section 20 unit. Pursuant to our recent meeting with Yates Petroleum Corporation, it was mutually agreed that an E/2 Section 20 unit would accommodate additional drilling opportunities in the W/2 thereof.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the E/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico.

November 11, 1996

Page 2

2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the E/2 of Section 20 from the surface of the earth to the total depth drilled in the test well.
3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (2)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 14, 1996

Diamond Head Properties, L. P.
P. O. Box 2127
Midland, TX 79702-2127

Attention: Ms. Shirley Choate

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located 990' FNL and 990' FEL of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE for your review and approval. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the operating agreement previously submitted for your consideration.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 60 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Please note that this well proposal does NOT replace or supersede our proposal to you dated November 8, 1996. Our original intention was to drill our well on a 320 acre north half unit. Subsequently, we agreed with Yates Petroleum to drill our well on an east half unit basis. Since we did not send Diamond Head our original N/2 proposal, we are sending this letter to you simply to ensure that all owners were properly noticed under the initial proposal.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosure



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Adolph P. Schuman
400 Sansome Street
San Francisco, CA 94111

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Schuman:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

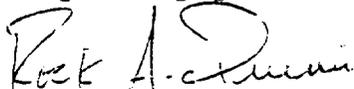
1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

Adolph P. Schuman
November 11, 1996
Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)

4anglora



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

W. A. & E. R. Hudson, Inc.
616 Texas Street
Ft. Worth, TX 76102-4612

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

W. A. & E. R. Hudson, Inc.

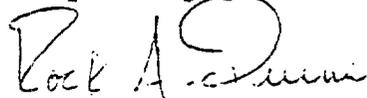
November 11, 1996

Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Yates Drilling Company
110 South 4th Street
Yates Building
Artesia, NM 88210-2123

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

Yates Drilling Company

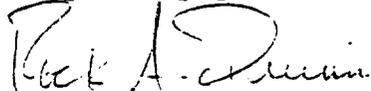
November 11, 1996

Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

R. Ken Williams
P. O. Box 10626
Midland, TX 79702-7626

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Williams:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

R. Ken Williams
November 11, 1996
Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)

4angl333



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Abo Petroleum Corporation
331 West Main St., Suite A
Artesia, NM 88210-2160

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

Abo Petroleum Corporation

November 11, 1996

Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)

4angipro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Whiting Petroleum Corporation
1700 Broadway, Suite 2300
Denver, CO 80290-2301

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

Whiting Petroleum Corporation
November 11, 1996
Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Myco Industries, Inc.
105 South Fourth Street
Artesia, NM 88210

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

Myco Industries, Inc.

November 11, 1996

Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)

4anglero



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

J. W. Gendron
1280 Encino Drive
San Marino, CA 91108

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Gendron:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

J. W. Gendron
November 11, 1996
Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)

4anglpro



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Joseph R. Hodge
3815 Roxbury Ct.
Colorado Springs, CO 80906

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Hodge:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

Joseph R. Hodge
November 11, 1996
Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

E. G. Holden Testamentary Trust
2524 Union Street
San Francisco, CA 94123

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Gentlemen:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

E. G. Holden Testamentary Trust

November 11, 1996

Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Betsy H. Keller
2524 Union Street
San Francisco, CA 94123

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Ms. Keller:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

Betsy H. Keller
November 11, 1996
Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Isaac A. Kawasaki
734 Kalanipuu
Honolulu, HI 96825

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Kawasaki:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

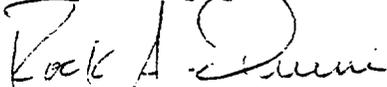
1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

Isaac A. Kawasaki
November 11, 1996
Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)

4anqlpro



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

November 11, 1996

Charles Cline Moore
138 Harvard Avenue
Mill Valley, CA 94941

RE: Well Proposal
N/2 Section 20-20S-28E
Eddy County, NM
IOGC's Angell Ranch Prospect

Dear Mr. Moore:

InterCoast Oil and Gas Company ("IOGC") hereby proposes the drilling of a well to be located in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico. IOGC proposes that the test well be drilled to a depth of approximately 11,250' in order to sufficiently test the Morrow Sand formation. Dry hole costs are estimated to be \$405,000, with total completed well costs estimated at \$697,000.

Enclosed are two copies of the AFE and a copy of our proposed operating Agreement for this well. If you should desire to participate, please sign and return one copy of the AFE together with any comments you may have regarding the proposed operating agreement. IOGC has acquired the interest of Kerr-McGee in the NE/4 of Section 20.

If you do not wish to participate in the proposed test well, IOGC proposes that you grant us a farmout of your interest in the N/2 of Section 20-20S-28E under the following terms:

1. On or before 120 days following the execution date of a definitive agreement, IOGC would commence or cause the commencement of an 11,250' Morrow Sand test at a location in the NE/4 of Section 20-20S-28E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, IOGC would earn an assignment of your interest in the dedicated unit within Section 20 from the surface of the earth to the total depth drilled in the test well.

Charles Cline Moore

November 11, 1996

Page 2

3. You would reserve in such assignment a 1/8th of 8/8ths overriding royalty interest which would absorb all burdens in excess of the usual 1/8th royalty, and would be proportionately reduced to the interest being assigned.

Due to time constraints on the commencement of the proposed well, IOGC has filed an application for compulsory pooling and an unorthodox well location with the New Mexico Oil Conservation Division. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date. However, we would like to obtain your voluntary joinder in the well, and we would appreciate discussing this proposal with you at your earliest convenience.

Very truly yours,



Rock A. Quinn
Senior Landman

RAQ:rkw
Enclosures (3)

INTERCOAST OIL AND GAS COMPANY

AUTHORIZATION FOR EXPENDITURES

Description of Work: Footage Drill, Log,DST, complete and equip a single zone Morrow Sand gas well

| | | | | | |
|----------|--------------------------|------------|---------------|---------|----------------------|
| Prospect | <u>Angell Ranch</u> | Well No. | <u>1</u> | Date | <u>12/17/96</u> |
| Lease | <u>To Be Determined</u> | Section | <u>20</u> | AFE No. | |
| Location | <u>990' FNL-990' FEL</u> | County | <u>Eddy</u> | Twp | <u>20S Range 28E</u> |
| Field | <u>Atoka Morrow</u> | Prim. Obj. | <u>Morrow</u> | State | <u>New Mexico</u> |
| Well TD | <u>11250'</u> | Sec. Obj. | | | |

| | Before Csg Point | After Csg Point | Total | | Before Csg Point | After Csg Point | Total |
|----------------------------------|------------------|------------------|------------------|-----------------------------------|------------------|------------------|------------------|
| INTANGIBLE COSTS | <u>BCP-820</u> | <u>ACP-840</u> | | TANGIBLE COSTS | <u>BCP-830</u> | <u>ACP-850</u> | |
| .01 Location/Damage Payment | 4,500 | | 4,500 | .01 Cattle Guards & Fencing | 0 | 0 | 0 |
| .02 Location Construction | 17,500 | 1,500 | 19,000 | .02 Csg: Cond. | 0 | X | 0 |
| .03 Contracted Equipment | 0 | 0 | 0 | .03 Csg: Surface | 8,125 | X | 8,125 |
| .04 Rotary Rig: MI, RU, RD, MO | 0 | 0 | 0 | 500' 13-3/8" 48# H-40 | | | |
| .05 Rotary Rig: Daywork | 11,000 | 11,000 | 22,000 | .04 Csg: Intermediate | 30,500 | X | 30,500 |
| .06 Rotary Rig: Footage | 210,950 | 0 | 210,950 | 3000' 8-5/8" 32# | | | |
| .07 Fuel | 2,000 | 0 | 2,000 | .05 Csg: Production | X | 56,900 | 56,900 |
| .08 Drilling Bits | 0 | 0 | 0 | 4-1/2" @ 11250' | | | |
| .09 Drilling Fluid | 37,500 | 1,000 | 38,500 | .06 Float Equip, Centrizers, etc. | | 2,000 | 2,000 |
| .10 Mud Disposal | 3,000 | X | 3,000 | .07 Well Head | 8,800 | 11,500 | 20,300 |
| .11 Drill Stem Tests | 4,000 | X | 4,000 | .08 Tubing | X | 26,700 | 26,700 |
| .12 Cement and Cementing Service | 18,000 | 12,000 | 30,000 | 2-3/8", 4.7#, N-80 | | | |
| .13 Casing Crew, Equipment | 3,500 | 3,500 | 7,000 | .09 Pump Unit | X | 0 | 0 |
| .14 Logging: Open Hole | 9,500 | X | 9,500 | .10 Motor/Engine | X | 0 | 0 |
| .15 Completion Rig | X | 15,000 | 15,000 | .11 Rods & Pump | X | 0 | 0 |
| .16 Stimulation | X | 75,000 | 75,000 | .12 Pkr & Sub-surface Equip. | X | 10,000 | 10,000 |
| .17 Misc. Pumping Services | 0 | 3,500 | 3,500 | .13 Tanks | X | 6,000 | 6,000 |
| .18 Log & Perf Cased Hole | X | 8,000 | 8,000 | .14 Separator/Production Unit | X | 8,000 | 8,000 |
| .19 Rentals | 5,000 | 5,000 | 10,000 | .15 Heater Treater/Dehydrator | X | 8,000 | 8,000 |
| .20 Water/Water Hauling | 10,500 | 6,000 | 16,500 | .16 Fittings & Small Pipe | X | 12,500 | 12,500 |
| .21 Hauling/Freight | 0 | 1,000 | 1,000 | .17 Other Equipment | 0 | 0 | 0 |
| .22 Tubular Inspection | 1,500 | 2,500 | 4,000 | .18 Installation Costs | X | 12,500 | 12,500 |
| .23 Well Testing | 1,500 | 1,000 | 2,500 | .19 Miscellaneous | | | |
| .24 Labor: Contract | 2,500 | 2,500 | 5,000 | .20 Contingency | | | |
| .25 Company Geologist/Engineer | 2,500 | 0 | 2,500 | Subtotal | \$47,425 | \$154,100 | \$201,525 |
| .26 Overhead | 3,700 | 1,000 | 4,700 | Pipeline | | PL-880 | |
| .27 Professional Services | 17,500 | 6,000 | 23,500 | .01 Line Pipe | X | 25,000 | 25,000 |
| .28 Insurance | 1,700 | 0 | 1,700 | .02 Metering Equipment | X | 0 | 0 |
| .29 Miscellaneous tax | 14,000 | 7,550 | 21,550 | .03 Meter Sta. Valves, Fittings | X | 0 | 0 |
| .30 Contingency | 500 | 0 | 500 | Subtotal | | \$25,000 | \$25,000 |
| .31 Coiled Tubing Work | 0 | 3,500 | 3,500 | TOTAL TANGIBLE COSTS | \$47,425 | \$179,100 | \$226,525 |
| .32 Packer Redress | X | | 0 | TOTAL WELL COSTS' | \$429,775 | \$345,650 | \$775,425 |
| Subtotal | \$382,350 | \$166,550 | \$548,900 | | | | |

| | Before Csg Point | After Csg Point | Total | | Before Csg Point | After Csg Point | Total |
|----------------------------------|------------------|------------------|------------------|---|------------------|------------------|------------------|
| Pipeline | | <u>PL-880</u> | | TOTAL WELL COSTS' | \$429,775 | \$345,650 | \$775,425 |
| .01 Tapping Fee | X | | | Total Well Cost to Casing Point | | | \$429,775 |
| .02 Purchased Right of Way | X | | | Plugging Cost | | | \$15,000 |
| .03 Damage Payments | X | | | Total Dry & Abandonment Cost | | | \$444,775 |
| .04 Right of Way Acquisition | X | | | Total Cost Through Evaluation of Zone of Interest | | | \$693,425 |
| .05 Permits | X | | | Prepared By: | <u>LCF/TLR</u> | | |
| .06 Freight | X | | | Estimated Spud Date | | | |
| .07 PL & Meter Sta. Construction | X | | | InterCoast WIO % | | | |
| .08 Surveying and Drafting | X | | | InterCoast Net Expenditure | | | \$0 |
| .09 Field Construction Sup. | X | | | Supplement No. | | | |
| .10 Misc. and Contingency | X | | | Original AFE Amount | | | |
| Subtotal | | | | Amount This Supplement | | | |
| TOTAL INTANGIBLE COSTS | \$382,350 | \$166,550 | \$548,900 | | | | |

INTERCOAST OIL AND GAS COMPANY APPROVED

OIL CONSERVATION DIVISION APPROVED

By: LCF Date: _____

By: InterCoast Date: _____

By: _____ Date: _____

Company Name: 3

By: EXHIBIT 3 Date: _____

Name: _____

CASE NO. 11666

EXHIBIT

NEW MEXICO "OIL CONSERVATION" DIVISION

Attached to and made a part of

Tulsa County EXHIBIT 4

CASE NO. 11666

ACCOUNTING PROCEDURE JOINT OPERATIONS

I. GENERAL PROVISIONS

1. Definitions

- "Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.
"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.
"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.
"Operator" shall mean the party designated to conduct the Joint Operations.
"Non-Operators" shall mean the Parties to this agreement other than the Operator.
"Parties" shall mean Operator and Non-Operators.
"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.
"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.
"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.
"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.
"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies.
"Prime rate" shall be deemed to be the prime rate of interest established by the Chase Manhattan Bank, N.A., New York on the business day immediately preceding the date of billing.

2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.

3. Advances and Payments by Non-Operators

- A. Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation within fifteen (15) days after receipt of the billing or by the first day of the month for which the advance is required, whichever is later. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators. *2% above
B. Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the prime rate in effect at Chase Manhattan Bank on the first day of the month in which delinquency occurs plus 1% or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.
C. The operator shall have the right, with or without cause, to reject any and all letters of credit, which may be submitted by non-operator as security for advance payment of such non-operator's proportionate share of costs and expenses

4. Adjustments

of the joint property. Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

5. Audits

- A. A Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct a joint audit in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator. The audits shall not be conducted more than once each year without prior approval of Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of those Non-Operators approving such audit.
- B. The Operator shall reply in writing to an audit report within 180 days after receipt of such report.

6. Approval By Non-Operators

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

1. Ecological and Environmental

Costs incurred for the benefit of the Joint Property as a result of governmental or regulatory requirements to satisfy environmental considerations applicable to the Joint Operations. Such costs may include surveys of an ecological or archaeological nature and pollution control procedures as required by applicable laws and regulations.

2. Rentals and Royalties

Lease rentals and royalties paid by Operator for the Joint Operations.

3. Labor

- A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.
- (2) Salaries of First Level Supervisors in the field.
- (3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the overhead rates.
- (4) Salaries and wages of Technical Employees either temporarily or permanently assigned to and directly employed in the operation of the Joint Property if such charges are excluded from the overhead rates.
- B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II. Such costs under this Paragraph 3B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 3A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.
- C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II.
- D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II.

4. Employee Benefits

Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II shall be Operator's actual cost not to exceed the percent most recently recommended by the Council of Petroleum Accountants Societies. 26% or

5. Material

Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

6. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

- A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store where like material is normally available or railway receiving point nearest the Joint Property unless agreed to by the Parties.

- B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store where like material is normally available, or railway receiving point nearest the Joint Property unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.
- C. In the application of subparagraphs A and B above, the option to equalize or charge actual trucking cost is available when the actual charge is \$400 or less excluding accessorial charges. The \$400 will be adjusted to the amount most recently recommended by the Council of Petroleum Accountants Societies.

7. Services

The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 10 of Section II and Paragraph i, ii, and iii, of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall ~~not~~ be charged to the Joint Account, ~~unless previously agreed to by the Parties.~~

8. Equipment and Facilities Furnished By Operator

A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on gross investment less accumulated depreciation not to exceed ~~_____ percent (____%) per annum.~~ ^{*} Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property. ^{*Prime rate plus 2%}

B. In lieu of charges in paragraph 8A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property, ~~less 20%.~~ For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

9. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

10. Legal Expense

Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgements and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, ~~except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless previously agreed to by the Parties.~~ All other legal expense is ~~considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 3.~~ ^{In addition to}

11. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties. If the ad valorem taxes are based in whole or in part upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to the Joint Account shall be made and paid by the Parties hereto in accordance with the tax value generated by each party's working interest.

12. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Worker's Compensation and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

13. Abandonment and Reclamation

Costs incurred for abandonment of the Joint Property, including costs required by governmental or other regulatory authority.

14. Communications

Cost of acquiring, leasing, installing, operating, repairing and maintaining communication systems, including radio and microwave facilities directly serving the Joint Property. In the event communication facilities/systems serving the Joint Property are Operator owned, charges to the Joint Account shall be made as provided in Paragraph 8 of this Section II.

15. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III and which is of direct benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

III. OVERHEAD

1. Overhead - Drilling and Producing Operations

- i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

(X) Fixed Rate Basis, Paragraph 1A, or
~~() Percentage Basis, Paragraph 1B~~

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, or accounting or matters before or involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

- ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property:

~~() shall be covered by the overhead rates, or~~
 (X) shall not be covered by the overhead rates.

- iii. The salaries, wages and Personal Expenses of Technical Employees and/or costs of professional consultant services and contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of the Joint Property:

~~() shall be covered by the overhead rates, or~~
 (X) shall not be covered by the overhead rates.

A. Overhead - Fixed Rate Basis

- (1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate \$ 5,819.00
 (Prorated for less than a full month)

Producing Well Rate \$ 564.00

- (2) Application of Overhead - Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

- (1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever is later, except that no charge shall be made during suspension of drilling or completion operations for fifteen (15) or more consecutive calendar days.
- (2) Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig or other units used in workover, commence through date of rig or other unit release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.

(b) Producing Well Rates

- (1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.
 - (2) Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.
 - (3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.
 - (4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well. This one-well charge shall be made whether or not the well has produced except when drilling well rate applies.
 - (5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.
- (3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

~~B. Overhead - Percentage Basis~~

~~(1) Operator shall charge the Joint Account at the following rates:~~

~~(a) Development~~

~~_____ Percent (_____ %) of the cost of development of the Joint Property exclusive of costs provided under Paragraph 10 of Section II and all salvage credits.~~

~~(b) Operating~~

~~_____ Percent (_____ %) of the cost of operating the Joint Property exclusive of costs provided under Paragraphs 2 and 10 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and assessments which are levied, assessed and paid upon the mineral interest in and to the Joint Property.~~

~~(2) Application of Overhead - Percentage Basis shall be as follows:~~

~~For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall include all costs in connection with drilling, redrilling, deepening, or any remedial operations on any or all wells involving the use of drilling rig and crew capable of drilling to the producing interval on the Joint Property; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All other costs shall be considered as operating.~~

2. Overhead - Major Construction

To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for overhead based on the following rates for any Major Construction project in excess of \$ _____* :

- A. _____* % of first \$100,000 or total cost if less, plus
 B. _____* % of costs in excess of \$100,000 but less than \$1,000,000, plus *To be negotiated.
 C. _____* % of costs in excess of \$1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells and artificial lift equipment shall be excluded.

3. Catastrophe Overhead

To compensate Operator for overhead costs incurred in the event of expenditures resulting from a single occurrence due to oil spill, blowout, explosion, fire, storm, hurricane, or other catastrophes as agreed to by the Parties, which are necessary to restore the Joint Property to the equivalent condition that existed prior to the event causing the expenditures, Operator shall either negotiate a rate prior to charging the Joint Account or shall charge the Joint Account for overhead based on the following rates:

- A. _____* % of total costs through \$100,000; plus
 B. _____* % of total costs in excess of \$100,000 but less than \$1,000,000; plus *To be negotiated.
 C. _____* % of total costs in excess of \$1,000,000.

Expenditures subject to the overheads above will not be reduced by insurance recoveries, and no other overhead provisions of this Section III shall apply.

4. Amendment of Rates

The overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all Material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reasons, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless otherwise agreed to by the Parties, shall be priced ~~on the following basis exclusive of cash discounts:~~ at cost or as provided below:

A. New Material (Condition A)

(1) Tubular Goods Other than Line Pipe

- (a) Tubular goods, sized 2 $\frac{3}{8}$ inches OD and larger, except line pipe, shall be priced at Eastern mill published carload base prices effective as of date of movement plus transportation cost using the 80,000 pound carload weight basis to the railway receiving point nearest the Joint Property for which published rail rates for tubular goods exist. If the 80,000 pound rail rate is not offered, the 70,000 pound or 90,000 pound rail rate may be used. Freight charges for tubing will be calculated from Lorain, Ohio and casing from Youngstown, Ohio.
- (b) For grades which are special to one mill only, prices shall be computed at the mill base of that mill plus transportation cost from that mill to the railway receiving point nearest the Joint Property as provided above in Paragraph 2.A.(1)(a). For transportation cost from points other than Eastern mills, the 30,000 pound Oil Field Haulers Association interstate truck rate shall be used.
- (c) Special end finish tubular goods shall be priced at the lowest published out-of-stock price, f.o.b. Houston, Texas, plus transportation cost, using Oil Field Haulers Association interstate 30,000 pound truck rate, to the railway receiving point nearest the Joint Property.
- (d) Macaroni tubing (size less than 2 $\frac{3}{8}$ inch OD) shall be priced at the lowest published out-of-stock prices f.o.b. the supplier plus transportation costs, using the Oil Field Haulers Association interstate truck rate per weight of tubing transferred, to the railway receiving point nearest the Joint Property.

(2) Line Pipe

- (a) Line pipe movements (except size 24 inch OD and larger with walls $\frac{3}{4}$ inch and over) 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.
 - (b) Line pipe movements (except size 24 inch OD and larger with walls $\frac{3}{4}$ inch and over) less than 30,000 pounds shall be priced at Eastern mill published carload base prices effective as of date of shipment, plus 20 percent, plus transportation costs based on freight rates as set forth under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.
 - (c) Line pipe 24 inch OD and over and $\frac{3}{4}$ inch wall and larger shall be priced f.o.b. the point of manufacture at current new published prices plus transportation cost to the railway receiving point nearest the Joint Property.
 - (d) Line pipe, including fabricated line pipe, drive pipe and conduit not listed on published price lists shall be priced at quoted prices plus freight to the railway receiving point nearest the Joint Property or at prices agreed to by the Parties.
- (3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property.
- (4) Unused new Material, except tubular goods, moved from the Joint Property shall be priced at the current new price, in effect on date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property. Unused new tubulars will be priced as provided above in Paragraph 2 A (1) and (2).

B. Good Used Material (Condition B)

Material in sound and serviceable condition and suitable for reuse without reconditioning:

(1) Material moved to the Joint Property

At seventy-five percent (75%) of current new price, as determined by Paragraph A.

(2) Material used on and moved from the Joint Property

- (a) At seventy-five percent (75%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as new Material or
- (b) At sixty-five percent (65%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as used Material.

(3) Material not used on and moved from the Joint Property

At seventy-five percent (75%) of current new price as determined by Paragraph A.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

C. Other Used Material

(1) Condition C

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph A. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

(2) Condition D

Material, excluding junk, no longer suitable for its original purpose, but usable for some other purpose shall be priced on a basis commensurate with its use. Operator may dispose of Condition D Material under procedures normally used by Operator without prior approval of Non-Operators.

- (a) Casing, tubing, or drill pipe used as line pipe shall be priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing or drill pipe utilized as line pipe shall be priced at used line pipe prices.
- (b) Casing, tubing or drill pipe used as higher pressure service lines than standard line pipe, e.g. power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods shall be priced on a non upset basis.

(3) Condition E

Junk shall be priced at prevailing prices. Operator may dispose of Condition E Material under procedures normally utilized by Operator without prior approval of Non-Operators.

D. Obsolete Material

Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

E. Pricing Conditions

- (1) Loading or unloading costs may be charged to the Joint Account at the rate of twenty-five cents (25¢) per hundred weight on all tubular goods movements, in lieu of actual loading or unloading costs sustained at the stocking point. The above rate shall be adjusted as of the first day of April each year following January 1, 1985 by the same percentage increase or decrease used to adjust overhead rates in Section III, Paragraph 1.A(3). Each year, the rate calculated shall be rounded to the nearest cent and shall be the rate in effect until the first day of April next year. Such rate shall be published each year by the Council of Petroleum Accountants Societies.
- (2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

3. Premium Prices

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

4. Warranty of Material Furnished By Operator

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

V. INVENTORIES

The Operator shall maintain detailed records of Controllable Material.

1. Periodic Inventories, Notice and Representation

At reasonable intervals, inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

2. Reconciliation and Adjustment of Inventories

Adjustments to the Joint Account resulting from the reconciliation of a physical inventory shall be made within six months following the taking of the inventory. Inventory adjustments shall be made by Operator to the Joint Account for overages and shortages, but, Operator shall be held accountable only for shortages due to lack of reasonable diligence.

3. Special Inventories

Special inventories may be taken whenever there is any sale, change of interest, or change of Operator in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory. In cases involving a change of Operator, all Parties shall be governed by such inventory.

4. Expense of Conducting Inventories

- A. The expense of conducting periodic inventories shall ~~not~~ be charged to the Joint Account ~~unless agreed to by the Parties.~~
- B. The expense of conducting special inventories shall be charged to the Parties requesting such inventories, except inventories required due to change of Operator shall be charged to the Joint Account.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF INTERCOAST OIL
AND GAS COMPANY FOR COMPULSORY
POOLING AND AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY, NEW MEXICO.

Case No. 11,666

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

Rock A. Quinn, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a landman for Applicant.
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the compulsory pooling application filed herein.
4. Notice of the compulsory pooling application was provided to the interest owners at their correct addresses by certified mail. Copies of the certified return receipts are attached hereto as Exhibit A.
5. Applicant has complied with the notice provisions of Division Rule 1207.

Rock A. Quinn
Rock A. Quinn

SUBSCRIBED AND SWORN TO before me this 18th day of December, 1996, by Rock A. Quinn.

Brenda S. Crawford

My Commission Expires:

10-29-99

NEW MEXICO
OIL CONSERVATION DIVISION
InterCoast EXHIBIT 5
CASE NO. 11666

InterCoast - Rita
P 553 784 850

US Postal Service
Receipt for Certified Mail

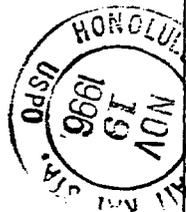
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

| | |
|---|-----------------------|
| Sent to | Charles Cline Moore |
| Street & Number | 138 Harvard Ave. |
| Post Office, State & ZIP Code | Mill Valley, CA 94941 |
| Postage | \$ |
| Certified fee | \$ |
| Special Delivery Fee | \$ |
| Residential Delivery Fee | \$ |
| Return Receipt Showing to Whom & Date Delivered | |
| Return Receipt Showing to Whom & Date Delivered | |
| Date & Addressee's Address | |
| TOTAL Postage & Fees | \$ |
| INTERCOAST OIL and GAS COMPANY 7130 South Lewis Ave. Suite 700 Tulsa, Oklahoma 74136 | |

| | |
|---|---|
| <p>SENDER:</p> <ul style="list-style-type: none"> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered. | <p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p> |
| | <p>3. Article Addressed to:</p> <p>Isaac A. Kawasaki 734 Kalanipuu Honolulu, HI 96825</p> |
| <p>5. Received By: (Print Name)</p> | <p>8. Addressee's Address (Only if requested and fee is paid)</p> |
| <p>6. Signature: (Addressee or Agent)</p> <p>X <i>James M. Thurb</i></p> | |

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.



| | |
|---|---|
| <p>SENDER:</p> <ul style="list-style-type: none"> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered. | <p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p> |
| | <p>3. Article Addressed to:</p> <p>Betsy H. Keller 2524 Union Street San Francisco, CA 94123</p> |
| <p>5. Received By: (Print Name)</p> | <p>8. Addressee's Address (Only if requested and fee is paid)</p> |
| <p>6. Signature: (Addressee or Agent)</p> <p>X <i>Betsy H. Keller</i></p> | |

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

E. G. Holden Testamentary Trust
2524 Union Street
San Francisco, CA 94123

4a. Article Number

P 553 984 803

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]* 11/18/96

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Joseph R. Hodge
3815 Roxbury Ct.
Colorado Springs, CO 80906

4a. Article Number

Z 156 482 589

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

NOV 18 1996

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

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- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

J. W. Gendron
1280 Encino Drive
San Marino, CA 91108

4a. Article Number

Z 156 482 590

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

11-18-96

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Myco Industries, Inc.
 105 South 4th Street
 Artesia, NM 88210

4a. Article Number
 Z 156 482 591

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 11/18/96

5. Received By: (Print Name)
 Kathryn Parsons

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X Kathryn Parsons

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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SENDER:

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Whiting Petroleum Corporation
 1700 Broadway, Suite 2300
 Denver, CO 80290-2301

4a. Article Number
 P 553 984 856

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 11/18/96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Abo Petroleum Corporation
 331 West Main St., Suite A
 Artesia, NM 88210-2160

4a. Article Number
 P 553 984 855

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 11/18/96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X Sharon Shauder

PS Form 3811, December 1994

Domestic Return Receipt

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

R. Ken Williams
P. O. Box 10626
Midland, TX 79702-7626

4a. Article Number
P 553 984 854

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
11-19-96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

Ronnie Griffin

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Yates Drilling Company
110 South 4th Street
Yates Building
Artesia, NM 88210-2123

4a. Article Number
P 553 984 853

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
11/19/96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *Kathryn Parsons*

PS Form 3811, December 1994

Domestic Return Receipt

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- Addressee's Address
- Restricted Delivery

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3. Article Addressed to:

W. A. & E. R. Hudson, Inc.
616 Texas Street
Ft. Worth, TX 76102-4612

4a. Article Number
P 553 984 852

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
NOV 18 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *W. A. Hudson*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Adolph P. Schuman
400 Sansome Street
San Francisco, CA 94111

4a. Article Number
P 553 984 851

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
11-18-90

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X S. Brown

PS Form 3811, December 1994 Domestic Return Receipt



Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Diamond Head Properties
Attn: Shirley Choate
P.O. Box 2127
Midland, TX 79702-2127

4a. Article Number
Z 156 482 232

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

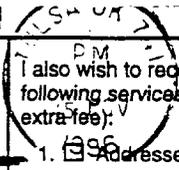
7. Date of Delivery
NOV 18 1990

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
* Ricki Kraemer

PS Form 3811, December 1994 Domestic Return Receipt



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SENDER:

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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

W.A. & E.R. Hudson, Inc.
616 Texas St.
St. Worth, TX 76102-4612

4a. Article Number
P 553 984 867

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
NOV 18 1990

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X [Signature]

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

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- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 Adolph P. Schuman
 400 Sansome St.
 San Francisco, CA
 94111

4a. Article Number
 P553 984 866

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 11-18-96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X [Signature]

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 Yates Drilling Co.
 110 S. 4th St. - Yates Bldg
 Artesia, NM 88210-2123

4a. Article Number
 P553 984 868

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 11/8/96

5. Received By: (Print Name)
 Kathryn Parsons

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X [Signature]

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 R. Ken Williams
 P.O. Box 10626
 Midland, TX 79702-7626

4a. Article Number
 P553 984 857

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 NOV 18 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 [Signature]

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Alco Petroleum Corp
331 W Main St. Ste A
Artesia, NM 88210-2160

4a. Article Number
P553 984 869

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
11/18/96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *Sharon Snowden*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Whiting Petroleum Corporation
1700 Broadway, Suite 2300
Denver, CO 80290-2301

4a. Article Number
P553 984 870

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
11/18/96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Claremont Corp.
P. O. Box 549
Claremont, OK 74017

4a. Article Number
P553 984 871

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

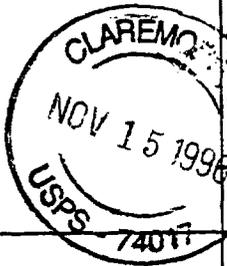
6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.



Is your RETURN ADDRESS completed on the reverse side?

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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Unit Petroleum Corporation
7130 South Lewis
Tulsa, OK 74136

4a. Article Number

P553 984 872

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

11/15/96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Pennzoil Exploration &
Production Company
P. O. Box 2967
Houston, TX 77252-2967

4a. Article Number

P553 984 873

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

NOV 18 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Space Building Corporation
250 Cape Highway, Route 44
East Taunton, MA 02713

4a. Article Number

P553 984 875

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

11/21/96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Myco Industries, Inc
 105 S. 4th St.
 Artesia, NM 88210

4a. Article Number
 P 553 984 859

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 11/18/96

5. Received By: (Print Name)
 Kathryn Wilson

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X Kathryn Wilson

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 J. W. Hendron
 1280 Encino Dr.
 San Marino, CA 91108

4a. Article Number
 P 553 984 860

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 11-20-96

5. Received By: (Print Name)
 X J. W. Hendron

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X J. W. Hendron

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Joseph R. Hodge
 3815 Roxbury Ct.
 Colorado Springs CO
 80906

4a. Article Number
 P 553 984 861

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 11/18/96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

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SENDER:

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- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Edward R. Hudson, Jr. and
Ann F. Hudson
616 Texas Street
Ft. Worth, TX 76102

4a. Article Number

2 156 482 220

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

NOV 13 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

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SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Karen V. Martin and William H. Martin,
Trustees of the Martin Living Trust
400 West Illinois, Suite 1100
Midland, TX 79701

4a. Article Number

2 156 482 219

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

11-18-96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

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Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

LAJ Corp.
P. O. Box 10626
Midland, TX 79702-7626

4a. Article Number

2 156 482 221

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

NOV 18 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Brown Brothers Harriman Trust Company
 Trustee of the William B. Oliver
 Trust and Successor Trustee of the
 Agnes Cluth Oliver Trust
 2001 Ross Ave., Suite 1150
 Dallas, TX 75201

4a. Article Number
 Z 156 482 222

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 NOV 18 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X *[Signature]*

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

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- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Devon Energy Corporation
 20 North Broadway, Suite 1500
 Oklahoma City, OK 73102

4a. Article Number
 Z 156 482 227

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 11-15-96

5. Received By: (Print Name)
 Larry BROWN

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X *[Signature]*

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Edward H. Judson and
 Marilyn M. Judson
 400 West Illinois, Suite 1100
 Midland, TX 79701

4a. Article Number
 Z 156 482 228

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 11-18-96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X *[Signature]*

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

- Following services (for an extra fee):
- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Frances B. Bunn
2493 Makiki Heights Drive
Honolulu, Hawaii 96822

4a. Article Number
2 156 482 229

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
11/19/96

5. Received By: (Print Name)
Frances B Bunn

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X Frances B Bunn

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

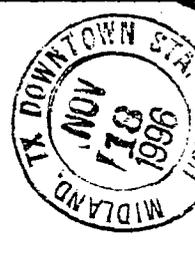
Is your RETURN ADDRESS completed on the reverse side?

- SENDER:**
- Complete items 1 and/or 2 for additional services.
 - Complete items 3, 4a, and 4b.
 - Print your name and address on the reverse of this form so that we can return this card to you.
 - Attach this form to the front of the mailpiece, or on the back if space does not permit.
 - Write "Return Receipt Requested" on the mailpiece below the article number.
 - The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Hayes Properties, Inc.
P. O. Box 3700
Midland, TX 79702



4a. Article Number
2 156 482 230

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X [Signature]

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- SENDER:**
- Complete items 1 and/or 2 for additional services.
 - Complete items 3, 4a, and 4b.
 - Print your name and address on the reverse of this form so that we can return this card to you.
 - Attach this form to the front of the mailpiece, or on the back if space does not permit.
 - Write "Return Receipt Requested" on the mailpiece below the article number.
 - The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Yates Petroleum Corp.
105 S. 4th Street
Artesia, NM 87196

4a. Article Number
2 156 482 231

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
NOV 20 1996

5. Received By: (Print Name)
[Signature]

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
[Signature]

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Ernie Bello
3325 Ala Akulikuli
Honolulu, Hawaii 96818-2215

4a. Article Number

9553 984 858

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

LERRAINE BELLO

6. Signature: (Addressee or Agent)

X Lorraine Bello

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Frederick Van Vranken
Cedar Swamp Road, Box 264
Jericho, NY 11753

4a. Article Number

7156 482 218

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

NOV 19 1993

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X Randy Klein

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Interpost
Attn: Rita
984 855
855

E/2 AR

US Postal Service

Receipt for Certified Mail

No insurance coverage provided.

Do not use for International Mail (See reverse)

Street & Number

Charles Cline Moore

Post Office, State, & ZIP Code

Postage

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees

INTERCOAST OIL and GAS COMPANY

7130 South Lewis Ave.

Suite 700

Tulsa, Oklahoma 74119

PS Form 3800, April 1995

Is your RETURN ADDRESS completed on the reverse side

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 E. G. Holden Test. Trust
 2524 Union St.
 San Francisco, CA
 94123

4a. Article Number
 P553 984 862

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X *B. Keller* 11/18/96

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- SENDER:**
- Complete items 1 and/or 2 for additional services.
 - Complete items 3, 4a, and 4b.
 - Print your name and address on the reverse of this form so that we can return this card to you.
 - Attach this form to the front of the mailpiece, or on the back if space does not permit.
 - Write "Return Receipt Requested" on the mailpiece below the article number.
 - The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Betsy H. Keller
 2524 Union St.
 San Francisco, CA
 94123

4a. Article Number
 P553 984 863

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X *B. Keller* 11/18/96

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- SENDER:**
- Complete items 1 and/or 2 for additional services.
 - Complete items 3, 4a, and 4b.
 - Print your name and address on the reverse of this form so that we can return this card to you.
 - Attach this form to the front of the mailpiece, or on the back if space does not permit.
 - Write "Return Receipt Requested" on the mailpiece below the article number.
 - The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Isaac A. Kawasaki
 734 Kalanipuu
 Honolulu, HI 96815

4a. Article Number
 P553 984 864

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
 X *James M. Nantz*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mary Hudson Ard
4808 Westridge Avenue
Ft. Worth, TX 76116

4a. Article Number
Z 156 482 223

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
11-18-96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

David Goodnow
230 Ridgefield Road
Wilton, CT 06897

4a. Article Number
Z 156 482 225

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)
DAVID GOODNOW

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

William A. Hudson, II and
Betty C. Hudson
616 Texas Street
Ft. Worth, TX 76102

4a. Article Number
Z 156 482 226

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
NOV 18 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF INTERCOAST OIL AND GAS COMPANY FOR COMPULSORY POOLING AND AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

Case No. 11,666

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Applicant.
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the unorthodox location application filed herein.
4. Notice of the unorthodox location application was provided to the interest owners at their correct addresses by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Exhibit A.
5. Applicant has complied with the notice provisions of Division Rule 1207.


James Bruce

SUBSCRIBED AND SWORN TO before me this 16th day of December, 1996, by James Bruce.



My Commission Expires:

10-29-99

NEW MEXICO
OIL CONSERVATION DIVISION
InterCoast EXHIBIT 6
CASE NO. 11666

HINKLE, COX, EATON, COFFIELD & HENSLEY,
L.L.P.

ATTORNEYS AT LAW

218 MONTEZUMA POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
(505) 982-4554 FAX (505) 982-8623

LEWIS C. COX, JR. (988-4888)
CLARENCE E. HINKLE (988-8888)

OF COUNSEL
D. M. CALHOUN* JOE W. WOOD
RICHARD L. CAZZELL* RAY W. RICHARDS*

AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
KENNETH R. HOFFMAN*
TOM D. STEPHENS*
RONALD C. SCHULTZ, JR.*
JOSE CANO*

THOMAS E. HOOD*
REBECCA NICHOLS JOHNSON
STANLEY K. KOTOVSKY, JR.
ELLEN S. CASEY
MARGARET CARTER LUDEWIG
S. BARRY PASNER
WYATT L. BROOKER*
DAVID M. RUSSELL*
ANDREW J. CLOUTIER
STEPHANIE LANDRY
KIRT E. MOELLING*
DIANE FISHER
JULIE P. NEEDEREN
WILLIAM F. SLATTERY
CHRISTOPHER M. MOODY
JOHN D. PHILLIPS
EARL R. MORRIS
JAMES A. GILLESPIE
MARGARET R. MCNETT

GARY W. LARSON
LISA K. SMITH*
NORMAN D. EWART
DARRIN T. GROCE*
MOLLY MERTOSH
MARGA B. LINCOLN
SCOTT A. SHUART*
PAUL G. WAGNER
AMY C. WRIGHT*
BRADLEY G. BISHOP*
KAROLYN KING NELSON
ELLEN T. LOUDERBOUGH
JAMES H. WOOD*
NANCY L. STRATTON
TIMOTHY R. BROWN
JAMES C. MARTIN

*NOT LICENSED IN NEW MEXICO

PAUL W. EATON
CONRAD E. COFFIELD
RICHARD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
ROBERT P. THWIN, JR.
MARSHALL G. MARTIN
MARTON C. COURTNEY*
DON L. PATTERSON*
DOUGLAS L. LUNSFORD
NICHOLAS J. NOEDING
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. HESBRIDE
NANCY S. CUSACK
JEFFREY L. FORMAGIARI

JEFFREY D. HEWETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
WILLIAM F. COUNTISS*
MICHAEL J. CANON
ALBERT L. FITTS
THOMAS M. HASKO
JOHN C. CHAMBERS*
GARY D. COMPTON*
W. H. BRIAN, JR.*
RUSSELL J. BAILEY*
CHARLES R. WATSON, JR.*
STEVEN D. ARNOLD
THOMAS D. HAINES, JR.
GREGORY J. NIBERT
FRED W. SCHWENDELMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*

November 15, 1996

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To: All Parties on Attached Exhibit A

InterCoast Oil and Gas Company has filed an application with the New Mexico Oil Conservation Division for an unorthodox location for a well to be drilled 990 feet from North and East lines of Section 20, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This matter will be heard at 8:15 a.m. on Thursday, December 5, 1996 at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.

James Bruce
James Bruce

JB/bc



POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-6332

POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9781

POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

401 W. 15TH STREET, SUITE 800
AUSTIN, TEXAS 78701
(512) 476-7137
FAX (512) 476-5431

EXHIBIT "A"

Petroleum Reserve Corporation
4815 S. Harvard Drive, Suite 305
Tulsa, OK 74135

Oxy USA, Inc.
Post Office Box 50250
Midland, TX 79710

Vision Energy, Inc.
Post Office Box 2459
Carlsbad, NM 88221

Petroleum Reserve Corp.
4815 S. Harvard, Suite 305
Tulsa, OK 73112

Claremont Oil Corp.
4815 S. Harvard, Suite 305
Tulsa, OK 73112

PXA Onshore Corp.
1512 S. Cincinnati Avenue
Tulsa, OK 74119

John McRae
Post Office Box 2970
Denton, TX 76201

John D. Wallis
16 E. 16th Street
Tulsa, OK 74119

Karen Loewenherz
4825 S. Peoria, #6
Tulsa, OK 74105

Milton Berry
4825 S. Peoria, #6
Tulsa, OK 74105

Baker Recovery, Inc.
Post Office Box 1026
Tulsa, OK 74101

Mallon Oil Co.
999 18th Street, Suite 1700
Denver, CO 80202

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

*Pete Wynn Reserve Corp
4815 S. Harvard, Ste 305
Julia OK 73112*

4a. Article Number

P 502 240 307

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

NOV 25 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

X Pam Fidbery

P 502 240 307 BC

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

| | |
|--|--------------------------------|
| Service | <i>Pete Wynn Reserve Corp</i> |
| Street & Number | <i>4815 S. Harvard Ste 305</i> |
| Post Office, State, & ZIP Code | <i>Julia OK 73112</i> |
| Postage | \$ <i>.32</i> |
| Certified Fee | <i>1.10</i> |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | <i>1.10</i> |
| Return Receipt Showing to Whom, Date, & Addressee's Address: | |
| TOTAL Postage & Fees | \$ <i>2.52</i> |
| Postmark of Date | <i>NOV 25 1996</i> USPS |

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 OXY, USA, Inc.
 P.O. Box 50250
 Midland TX 79710

4a. Article Number
 P 502 240 305

4b. Service Type
 Registered
 Express Mail
 Certified
 Insured
 COD

5. Received By: (Print Name)

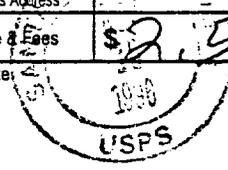
6. Signature: (Addressee or Agent)
 X *[Signature]*

7. Date
 NOV 18 1994

8. Addressee's Address (Only if requested and fee is paid)

P 502 240 305 *BC*

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

| | |
|---|--|
| Sent to | <i>Oxy USA Inc</i> |
| Street & Number | <i>PO Box 50250</i> |
| Post Office, State, & ZIP Code | <i>Midland TX 79710</i> |
| Postage | <i>\$.32</i> |
| Certified Fee | <i>1.10</i> |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | <i>6.10</i> |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | <i>\$2.52</i> |
| Postmark or Date: | <i>NOV 18 1994</i>  |

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Vision Energy, Inc.
P.O. Box 2459
Carlsbad, NM
88221

5. Received By: (Print Name)

6. Signature: (Addressing optional)

7. Date of Delivery: NOV 18 1995

8. Addressee's Address (Only if requested and fee is paid)

4a. Article Number: 5080741306

4b. Service Type: NOV 18 1995

Registered
 Express Mail
 Return Receipt with Manifest
 Insured
 COD

Certified
 Restricted Delivery

Consult postmaster for fee.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

P 502 240 306 *BC*

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

| | |
|---|-------------------|
| Sent to | Vision Energy Inc |
| Street & Number | PO Box 2459 |
| Post Office, State, & ZIP Code | Carlsbad NM 88221 |
| Postage | \$ 32 |
| Certified Fee | 1.10 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | 1.10 |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ 2.92 |
| Postmark or Date | |

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

P 502 240 308

BC

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

| | |
|---|----------------|
| Sent to <i>Claremont Oil Corp</i> | |
| Street & Number <i>4815 S. Harvard St 305</i> | |
| Post Office, State, & ZIP Code <i>Tulsa OK 74112</i> | |
| Postage | <i>\$.32</i> |
| Certified Fee | <i>1.20</i> |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | <i>1.10</i> |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | <i>\$ 2.52</i> |
| Postmark or Date | |

PS Form 3800, April 1995

CERTIFIED

P 502 240 308

MAIL

HINKLE, COX, EATON, COFFIELD & HENSLEY

L.I.P.

ATTORNEYS

POST OFFICE BOX 2068

218 MONTEZUMA

SANTA FE, NEW MEXICO 87504

+



FORWARDING ORDER EXPIRES

NO SUCH NUMBER

ADDRESS UNKNOWN

MOVED NO ORDER

INSUFFICIENT ADDRESS

CARRIER RETURN

557 CARRIER

Claremont Oil Corp.
4815 S. Harvard, Suite 305
Tulsa, OK ~~74112~~

RECEIVED

DEC 02 1996

Hinkle, Cox, Eaton, Coffield & Hensley
Santa Fe, New Mexico



FORWARDING ORDER EXPIRES

NO SUCH NUMBER

ADDRESS UNKNOWN

MOVED NO ORDER

INSUFFICIENT ADDRESS

CARRIER RETURN

CARRIER



U.S. POSTAGE

2.52

DEC 02 1996

NAME _____
 1st Notice _____
 2nd Notice _____
 Return _____

DEC 04 1996

HINKLE, COX, EATON, COFFIELD & HENSLEY
 L. I. P.
 ATTORNEYS
 POST OFFICE BOX 2068
 218 MONTEZUMA
 SANTA FE, NEW MEXICO 87504

RT# 279
 VACANT UNIT
 ATTEMPTED NOT RETURNED
 INSUFFICIENT ADDRESS
 NO SUCH STREET #
 APT _____ SP _____ S/E _____
 FORWARDING INFORMATION SPIKED
 MOVED LEFT NO ADDRESS
 NO MAIL RECEIPT

PXA Onshove Corp.
 1612 S. Cincinnati Avenue
 Tulsa, OK 74119

CERTIFIED
 MAIL
 P 502 240 309

NOV 15 1996
 SANTA FE, N.M.
 U.S. POSTAGE
 2.52

RECEIVED
 DEC 04 1996

Hinkle, Cox, Eaton, Coffield & Hensley
 Santa Fe, New Mexico 87504

741-79-4436 24

P 502 240 309 ¹³⁰

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

| | | |
|---|------------------------|-------|
| Sent to | PXA Onshove Corp | |
| Street & Number | 1612 S. Cincinnati Ave | |
| Post Office, State, & ZIP Code | Tulsa OK 74109 | |
| Postage | \$ | 32 |
| Certified Fee | | 1.10 |
| Special Delivery Fee | | |
| Restricted Delivery Fee | | |
| Return Receipt Showing to Whom & Date Delivered | | 12/10 |
| Return Receipt Showing to Whom, Date, & Addressee's Address | | |
| TOTAL Postage & Fees | \$ | 2.52 |
| Postmark or Date | | USPS |

PS Form 3800, April 1991

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
 John McRae
 P O Box 2990
 Denton TX 76201

4a. Article Number
 P 502 240 310

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD
 Certified
 Insured

5. Received By: (Print Name)
 John McRae

6. Signature: (Address of Agent)
 JOHN McRAE

7. Date of Delivery
 NOV 20 1995

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3800 April 1995

Thank you for using Return Receipt Service.

P 502 240 310 BC

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

| | |
|---|---------|
| Sent to | |
| John McRae | |
| Street & Number | |
| P O Box 2990 | |
| Post Office, State, & ZIP Code | |
| Denton TX 76201 | |
| Postage | \$.32 |
| Certified Fee | 1.10 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | 1.10 |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ 2.52 |
| Postmark or Date | |

PS Form 3800 April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and 2 for additional services.
- Complete items 3, 4a, 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 John D. Wallis
 16 East 16th Street
 Suite 302
 Tulsa, Oklahoma 74119

4a. Article Number
 P 502 240 301

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
 X *Frank Barman*

7. Date of Delivery
 DEC 02 1995

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

RESENT P 502 240 311
 P 502 240 301

bc

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

| | |
|---|------------------------------|
| Sent to | <i>John D. Wallis</i> |
| Street & Number | <i>16 E 16th St, Ste 302</i> |
| Post Office, State, & ZIP Code | <i>TULSA OK 74119</i> |
| Postage | <i>\$.32</i> |
| Certified Fee | <i>1.10</i> |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | <i>1.10</i> |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage | <i>1.42</i> |
| Postmark of Date | <i>DEC 02 1995</i> |

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

Returned - Re-mailed 11/26/96 BC

P 502 240 311

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

| | |
|---|---------------------|
| Sent to | John D Wallis |
| Street & Number | 16 E 16th St |
| Post Office, State, & ZIP Code | Tulsa OK 74119 |
| Postage | \$.32 |
| Certified Fee | 1.10 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | 11/10 |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ 2.92 |
| Postmark or Date | NOV 10 1996 USPS |

PS Form 3800 April 1995

CERTIFIED

P 502 240 311

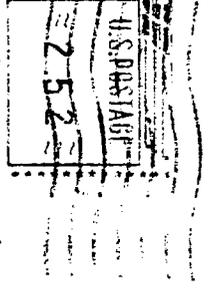
MAIL

HINKLE, COX, EATON, COFFIELD & HENSLEY
L.L.P.
ATTORNEYS
POST OFFICE BOX 2068
218 MONTEZUMA
SANTA FE, NEW MEXICO 87504



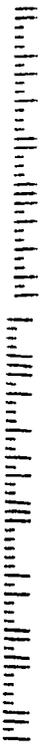
RT # _____ INT _____ DATE _____
VACANT _____ REFUSED _____
ATTEMPTED NOT KNOWN _____
INSUFFICIENT ADDRESS _____
NO SUCH STREET # _____
APT _____ SP _____ SITE _____
FORWARDING ORDER EXPIRED _____
MOVED LEFT NO ADDRESS _____
NO MAIL RECEIPT _____

John D. Wallis
16 E. 16th Street
Tulsa, OK 74119



NOV 25 1996
1st Notice
2nd Notice
Envelope

74119/AA02



Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

*Karen Loewenberg
4825 S. Peoria, #6
Tulsa OK 74105*

4a. Article Number

P 502 240 312

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

11-19-96

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

[Signature]

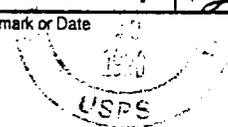
6. Signature: (Addressee or Agent)

[Signature]

Thank you for using Return Receipt Service.

P 502 240 312 BC

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

| | | |
|---|--|--|
| Sent to | <i>Karen Loewenberg</i> | |
| Street & Number | <i>4825 S. Peoria #6</i> | |
| Post Office, State, & ZIP Code | <i>TULSA OK 74105</i> | |
| Postage | <i>\$ 0.32</i> | |
| Certified Fee | <i>1.10</i> | |
| Special Delivery Fee | | |
| Restricted Delivery Fee | | |
| Return Receipt Showing to Whom & Date Delivered | <i>1.10</i> | |
| Return Receipt Showing to Whom, Date, & Addressee's Address | | |
| TOTAL Postage & Fees | <i>\$ 2.52</i> | |
| Postmark or Date |  | |

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Milton Berry
4825 S. Peoria #6
Tulsa OK 74105

5. Received By: (Print Name)

[Signature]

6. Signature: (Addressee or Agent)

X *[Signature]*

4a. Article Number

0562240 313

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

4-19-96

8. Addressee's Address (Only if requested and fee is paid)

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

P 502 240 313

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

| | |
|---|----------------------------|
| Sent to <i>Milton Berry</i> | |
| Street & Number <i>4825 S. Peoria #6</i> | |
| Post Office, State, & ZIP Code <i>Tulsa OK 74105</i> | |
| Postage | \$ <i>.32</i> |
| Certified Fee | <i>1.10</i> |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | <i>1.10</i> |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ <i>2.52</i> |
| Postmark or Date | <i>APR 19 1996</i> USPS |

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Babe's Recovery Inc
 PO Box 1026
 Tulsa OK 74101

4a. Article Number

P502 240 315

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

11-27-96

5. Received By: (Print Name)

Steve Carpenter

6. Signature: (Addressee or Agent)

X: Steve Carpenter

8. Addressee's Address (Only if requested and fee is paid)

BC

P 502 240 315

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

| | |
|---|---------------------|
| Sent to Babe's Recovery Inc | |
| Street & Number PO Box 1026 | |
| Post Office, State, & ZIP Code Tulsa OK 74101 | |
| Postage | \$.32 |
| Certified Fee | 1.10 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | 1.10 |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ 2.52 |
| Postmark or Date | APR 18 1996 USPS |

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Mullen Oil Co
999 18th St. Ste 1700
Denver CO 80202

4a. Article Number:

P502 240 314

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

5. Received By: (Print Name)

6. Signature (Addressage or Agent)

X *[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

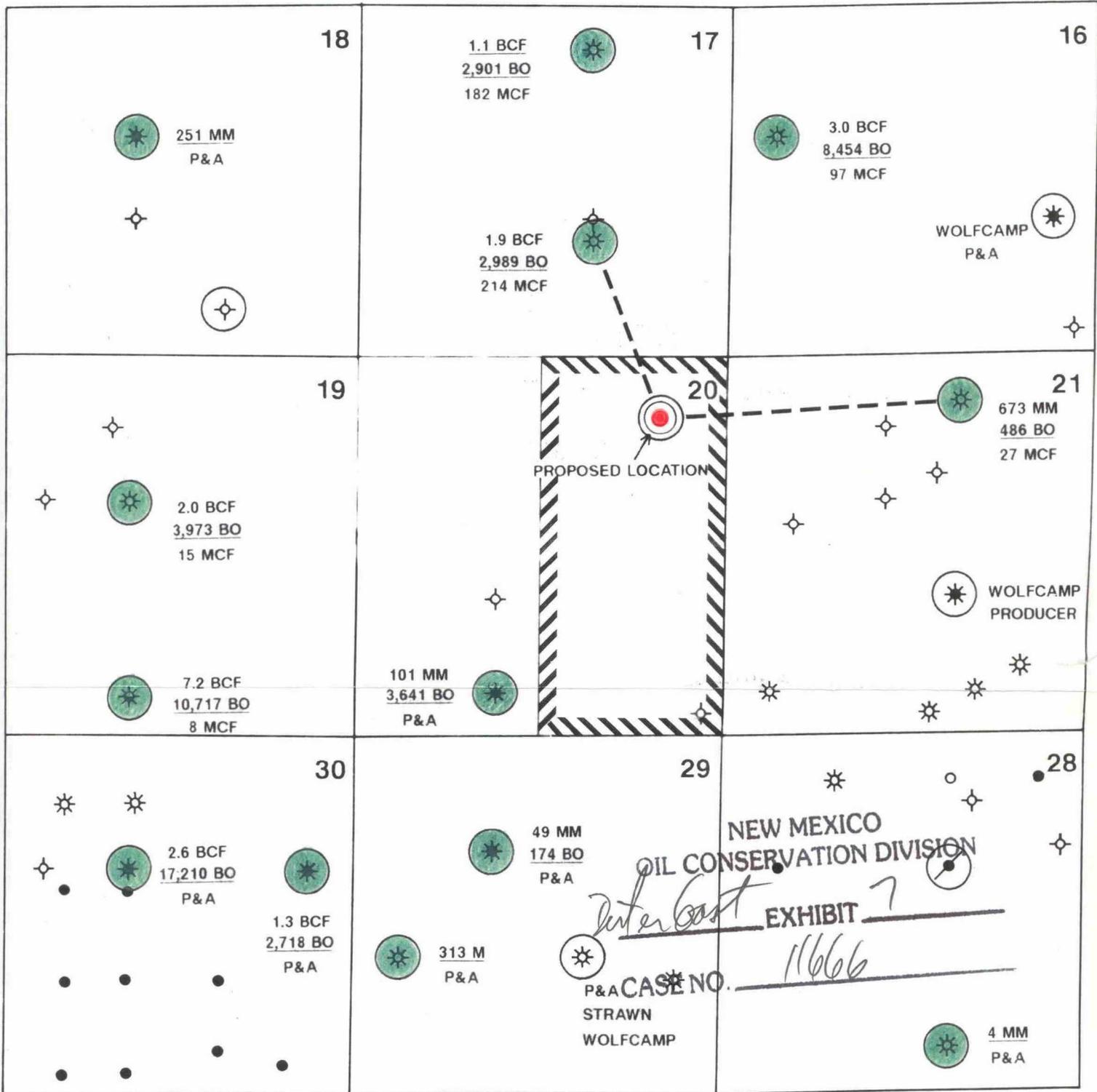
Thank you for using Return Receipt Service.

P 502 240 314 *BL*

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

| | |
|---|-------------------|
| Sent to <i>Mullen Oil Co</i> | |
| Street & Number <i>999 18th St. Ste 1700</i> | |
| Post Office, State, & ZIP Code <i>Denver CO 80202</i> | |
| Postage | \$ <i>32</i> |
| Certified Fee | <i>1.10</i> |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | <i>1.10</i> |
| Return Receipt Showing to Whom, Date, & Addressee's Address | |
| TOTAL Postage & Fees | \$ <i>2.52</i> |
| Postmark or Date | <i>APR 1 1999</i> |

PS Form 3800 April 1999

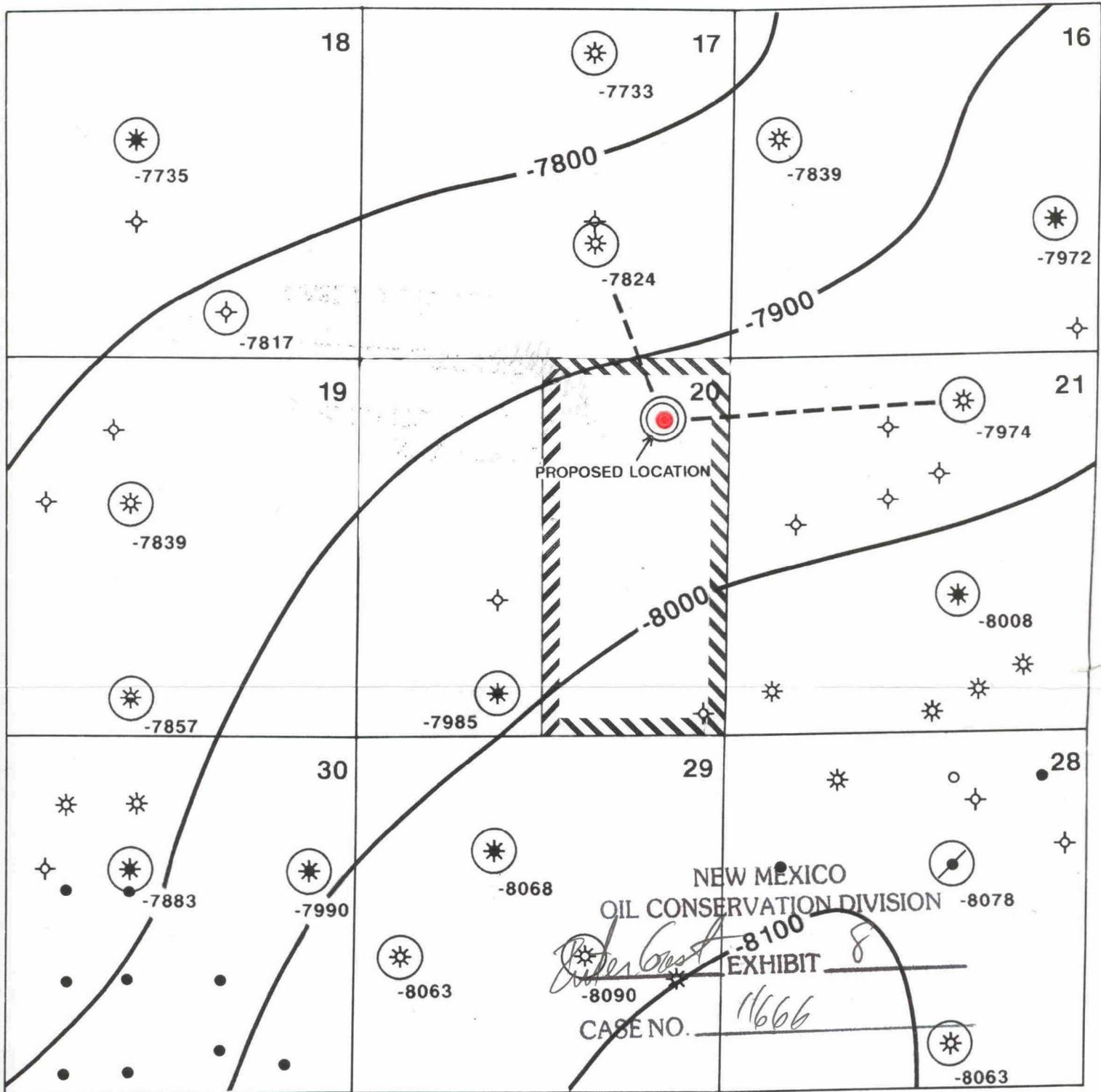


R-28-E

MORROW PRODUCER

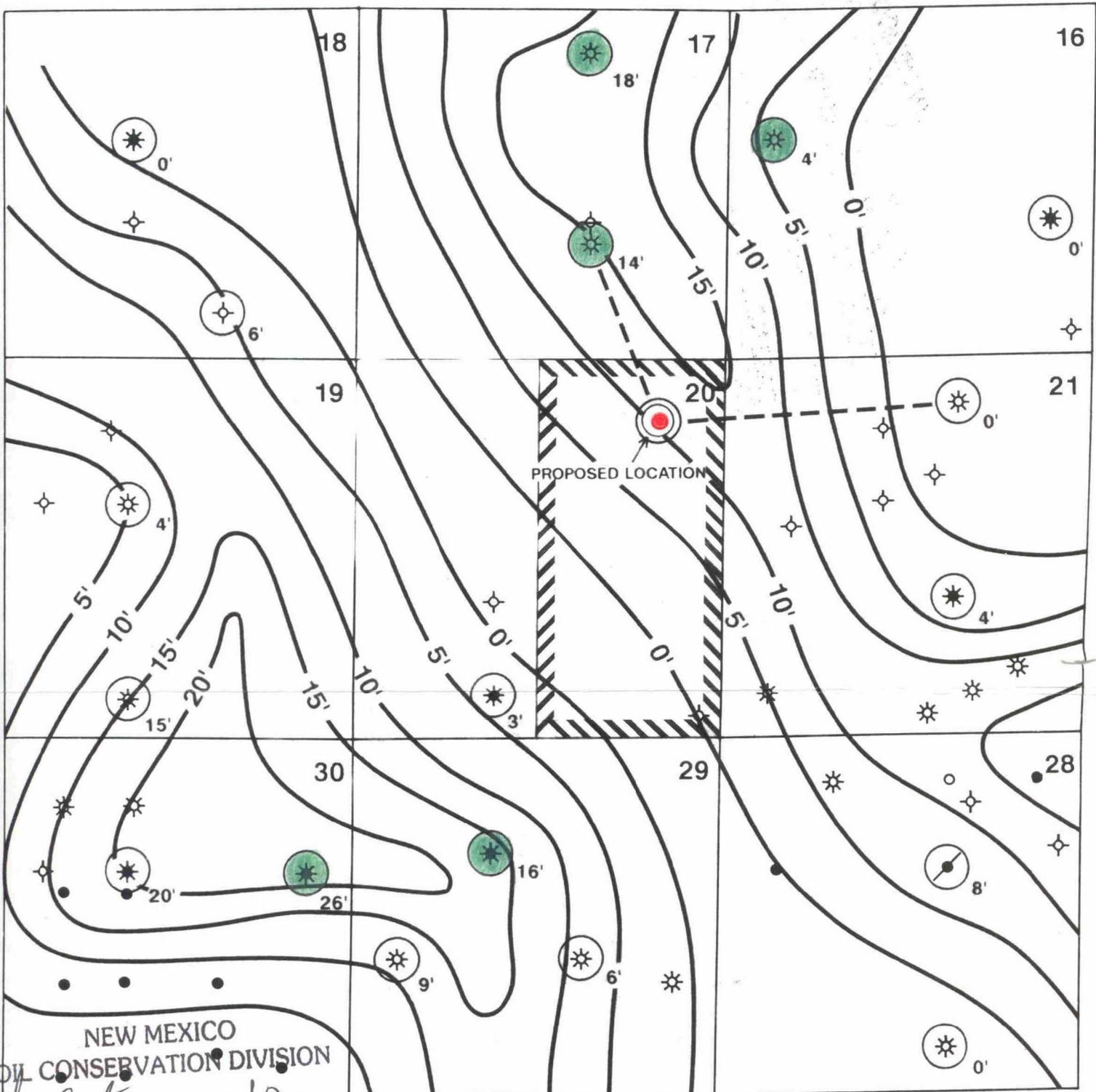
| |
|---|
| INTERCOAST OIL & GAS |
| STATE of NEW MEXICO 20-1 Eddy County, New Mexico |
| PRODUCTION MAP |
| <p>Scale in Feet</p> |

NEW MEXICO
OIL CONSERVATION DIVISION
InterCast
EXHIBIT 7
CASE NO. 11666



R-28-E

| |
|---|
| INTERCOAST OIL & GAS |
| STATE of NEW MEXICO 20-1 Eddy County, New Mexico |
| STRUCTURE BASE MORROW MASSIVE SHALE |
| 2000 1000 0 2000 4000 Scale in Feet |



NEW MEXICO
OIL CONSERVATION DIVISION

Inter Coast
EXHIBIT 10
CASE NO. 11666

R-28-E

 MORROW PRODUCER FROM MAPPED SAND

| | |
|--|--|
| INTERCOAST OIL & GAS | |
| STATE of NEW MEXICO 20-1 | |
| Eddy County, New Mexico | |
| ISOPACH | |
| NET MORROW "C" SAND | |
|  | |
| Scale in Feet | |

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE