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KOCH EXPLORATION COMPANY

January 3, 2001

Coleman Oil & Gas, Inc.  
Attn: Mr. Chris Coleman  
P O Drawer 3337  
Farmington, NM 87499

Re: Farmout Agreement  
E/2 Section 16-T24N-R10W  
San Juan County, New Mexico

Dear Chris:

Reference is made to the subject Farmout Agreement dated December 8, 2000, covering the Koch Exploration Company leasehold in the subject section. We assume you have received the fax of the agreement and are enclosing the original instrument with this letter.

Please keep us advised when you are preparing to spud the well(s) so we can be kept updated. Good luck in your venture.

Yours truly,

A handwritten signature in black ink, appearing to read 'Lance F. Harmon', written over a horizontal line.

Lance F. Harmon  
Land Manager