

H. L. BROWN, JR.
POST OFFICE BOX 2237
MIDLAND, TEXAS 79702-2237

December 8, 2000

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tony Cauthorn
1700 Airport Road
Conway, South Carolina 29527

Re: Oil and Gas Lease
T7S-R36E
Section 8: N/2N/2 & S/2SW/4
Roosevelt County, New Mexico
HLBJR #503

Dear Mr. Cauthorn,

Reference is made to our previous correspondence regarding a small mineral interest owned by you in the captioned lands. We are again contacting you to propose leasing the mineral interest and are hopeful that we can come to an agreement. As we might have told you, we have been acquiring leases in this area for the past several years, and have now secured leases from approximately 90% of the owners. The owners we have not leased have not been found and the interest we are finalizing very small.

We are planning to drill a well on lands encompassing a portion of the above lands under which you own a .0023481 mineral interest. Inasmuch as some owners cannot be found, the state of New Mexico allows an operator to file a petition, which would allow compulsory pooling of the interest which couldn't be leased. This allows the operator to go forward with testing the minerals owned by the majority of the mineral owners who leased. If approved, the interests that are compulsory pooled are subject to a penalty imposed by the order. As such, we are filing for a hearing on this matter which would allow us to proceed with a well on the prospect.

We wish to provide you with a final opportunity to either lease to us or to participate on a voluntary basis. If you elect to participate your participation in the well will be subject to our joint operating agreement setting forth the provisions and procedures that will be followed. Please find enclosed a copy of our preliminary AFE, which sets forth our estimate of the costs of drilling and completing this well. Due to industry conditions this cost is expected to increase. The well is to be located at an unorthodox well location 1400 feet from the east line and 1550 feet from the north line of Section 8 and dedicated to a 160-acre non-standard spacing and proration unit consisting of the NE/4 of this section.

With this in mind, we again propose to lease the mineral interest owned by you in the above-described lands and enclose a lease and draft for this interest. The estimated cost to drill and complete this well is expensive and costs are increasing due to industry demands. The well will be considered a wildcat, inasmuch as the nearest wells which have been drilled near these lands is more than 1 1/2 miles away. (These two wells were dryholes.) and there are no producing wells in the immediate vicinity. Should you elect not to lease or pay your proportionate part of the drilling cost, your interest will be compulsory pooled and subject to the order presented by the State of New Mexico. Thus, we would ask that you seriously consider leasing your interest to us.

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12589 Exhibit No. 4
Submitted By:
H. L. Brown
Hearing Date: February 8, 2001

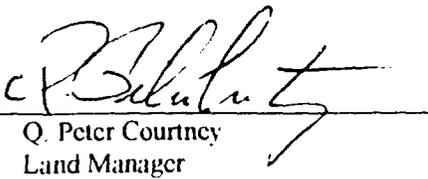
Mr. Cauthorn
December 8, 2000
Page 2

Should you decide to lease your interest, please execute the lease in the presence of a Notary Public and two (2) witnesses. Please return both the lease and draft to us. Payment to you for your interest will be sent directly to you upon receipt.

We would be happy to discuss any questions you may have with regard to the above. If you should have any questions, please contact the undersigned. Please notify us as to your decision regarding this matter as soon as possible.

Yours very truly,

H.L. Brown, Jr.

By: 
Q. Peter Courtney
Land Manager

QPC/hai

H. L. BROWN, JR.

AUTHORITY FOR EXPENDITURE

LEASE & WELL NO: Robinson "B" No 1
 COUNTY: Roosevelt
 LOCATION: 1550 ft FNL & 1400 ft FEL, Section 8
 T-7-S, R-37-E

FIELD: Wildcat
 STATE: New Mexico
 OBJECTIVE: Drill & Complete Wildcat
 Oil Well

TOTAL DEPTH: 8.700
 WELL TYPE: oil
 AFE NO:
 WELL CODE:

INTANGIBLE DRILLING COST			DRY HOLE	COMPLETE	TOTAL
	(BCP)	(ACP)			
Footage	<input type="text"/> feet @ <input type="text"/> per ft				
Turnkey Drilling					
Daywork	20 days @ \$6,500 per day		123,500	6,500	130,000
Water			10,000	2,000	12,000
Mobilization: RU and RD			35,000		35,000
Coring and Analysis					
Land and Legal					
Location Survey & Elevation			1,200		1,200
Drillstem Tests	2 DST's @ \$2,500 per DST		5,000		5,000
Logging			12,000		12,000
Dipmeter & Velocity Survey			8,500		8,500
Mudlogging	8 days @ \$550 per day		4,400		4,400
Bottomhole Pressure Tests					
Flowtesting & Temperature Survey					
Other Surveys & Fluid, Gas Analysis					
Tubular Goods Inspections					
BOP & Wellhead Tests					
Rentals & Assoc. Services			5,000	2,500	7,500
Labor: Contract & Company			500	2,000	2,500
Fuel / Power					
Location, Roads & Pits			20,000		20,000
Abandonment / Cleanup Charge			1,000	1,000	2,000
Water/Mud Disposal					
Transport / Truck / Forklift			2,000	2,500	4,500
Cement & Services			15,000	18,000	33,000
Casing Crews & Equipment			2,000	1,800	3,800
Squeeze Cementing					
Float Equipment & Centralizers			1,200	1,500	2,700
Pick Up & Lay Down Charges					
Drilling Mud & Chemicals			20,000	1,000	21,000
Acidizing Service & Materials				6,500	6,500
Frac Service & Materials					
Perforating / Wireline Tools Exp				3,500	3,500
Nitrogen Service / Coil Tubing					
Completion Unit	7 days at \$1600 / day			11,200	11,200
Welding			800	400	1,200
Supervision: Eng. Geol. Consultant	27 days @ \$550 / day		9,900	5,000	14,900
Bits, Lubricants, Expendables	1-17 1/2" re-lip, 2- 11", 3- 7 7/8"		33,200		33,200
Losses, Damages, Right of Way			4,500		4,500
Fishing Tools & Services					
Repairs - Labor & Materials					
Overhead - Drilling & Workover					
Misc IDC's / Contingencies			15,800	3,300	19,100
Subtotal:			\$330,500	\$68,700	\$399,200

LEASE & WELL EQUIPMENT		Size / Wt / Grade / Thd	Footage	Price			
				ft @	per ft		
Conductor Casing							
Surface Casing		13 3/8", 48 #/ft, H-49, ST&C	550	\$19.44	per ft	10,700	10,700
Intermediate Casing		8 5/8", 32 #/ft, J-55, ST&C	3,900	\$12.34	per ft	48,200	48,200
Production Casing		5 1/2", 15 50&17 0 #/ft, J-55, LT&C	8,700	\$6.10	per ft	53,100	53,100
Tubing		2 3/8", 4 7 #/ft, J-55, EUE 8 rd	8,700	\$2.11	per ft	18,400	18,400
Sucker Rods							
Pump, Sub Equip, Tbg Anchor							
Pkrs, Liner Hngs, Seal Asm							
Casingheads & Spools						2,500	1,500
Tubinghead Assembly							1,500
Tree & Upper Run							1,500
Pumping Unit							
Engine / Electric Motor							
Tank Btty & Prod Equip							30,000
Pipe, Valves & Fittings							4,000
Compressor							
Electrical System							
Flowline, Pipeline							1,500
Misc Tang Costs / Contingencies						3,100	5,600
Subtotal:						\$64,600	\$117,100
Grand Total:						\$395,000	\$580,800

IMPORTANT Please Initial Appropriate Box

1. I, H. L. Brown, Jr. Will Will Not obtain cost of well control and pollution clean-up insurance (a certificate setting out this coverage will be furnished) It is understood and agreed that H. L. Brown, Jr. is not a warrantor of the financial responsibility of the insurer with whom such insurance is carried and that except for willful negligence H. L. Brown, Jr. shall not be liable to any other party for loss suffered on account of the insufficiency of the insurance carried or of insurer with whom carried. Upon written request a full copy of the policy will be furnished to you.

2. I / We desire H. L. Brown, Jr. to secure for my / our proportionate interest cost of well control insurance for this well and I / We will pay our proportionate share of the premium(s).

3. I / We do not desire H. L. Brown, Jr. to secure such insurance for my / our proportionate interest and will furnish him a certificate prior to drilling evidencing the fact that I / We have insurance of a similar nature and amount covering our interest. If a certificate satisfactory to Brown is not received prior to spudding I / We authorize H. L. Brown, Jr. to obtain coverage for our interest as set out above.

IMPORTANT If no election is indicated between No 2 or No 3 and H. L. Brown, Jr. is obtaining coverage as evidenced by his initials in No 1, it will be deemed that No 2 has been initiated.

H. L. BROWN, JR.

Prepared By Jerry M. Jordan DATE Nov-3-00

Approved By _____ DATE _____

Title _____

WORKING INTEREST PARTNER

_____ agrees to participate for _____ % W

Approved By _____ DATE _____

Title _____

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Grace Bible Fellowship Church
33990 McFarland Dr
Tangent, OR 97303

2. Article Number (Copy from service label)

7000 0520 0024 0311 5822

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
Denise Turner 12-21-00

C. Signature Agent
X Denise Turner Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Charles Dunn
1217 S First
Lovington, NM
88260

2. Article Number (Copy from service label)

7000 0520 0024 0311 5815

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
Charly Dunn 12/15

C. Signature Agent
X Charly Dunn Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Helen Ruth Williamson
860 Cade
Keizer, OR 97303

2. Article Number (Copy from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
DEC 21 2000

C. Signature Agent
X Helen Ruth W. Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

BROWN, JR.
BOX 2237
TEXAS 79702-2237

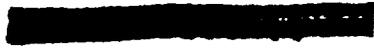
- Moved, Left No Address
- Forwarding Order Expired
- Attempted - Not Known
- Unclaimed Refused
- No Such Street
- No Such Number
- Insufficient Address



Thelma Ruth Carrutt
5678 Tucson Drive #1
San Jose, ca 95118

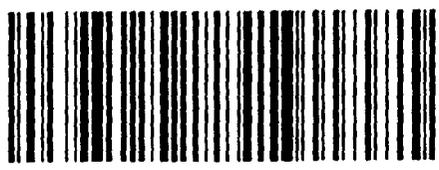
RECEIVED
SEP 27 2000

H. L. BROWN, JR.

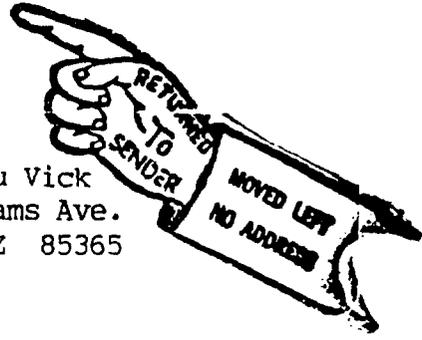


CERTIFIED MAIL

BROWN, JR.
BOX 2237
TEXAS 79702-2237



7099 3220 0006 1560 3739



11322 Mrs. Lou Vick
1132 Adams Ave.
Yuma, AZ 85365

M.L.V.A.
R-11
L.M

8-78

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25365/5

