

NGX Operating

100 N. Pennsylvania
Roswell, N.M. 88203
#505.622.6713

October 4, 2001

Attn: Mr. Tim Gum, District Supervisor
NMOCD
1301 West Grand Avenue
Artesia, New Mexico
88210



RE: NGX Guacamayo St. #1, Tecolote St.#1, and State #1 wells
Located in Section 6-T21S-R27E, and Section 2-T21S-R28E,
Eddy county, New Mexico

Dear Mr. Gum:

Please accept apologies for being late in this response to your earlier correspondence. Pursuant to our discussion yesterday and in response to prior NMOCD notifications, I am writing to discuss the planned course of action for three shut-in wells that NGX currently operates.

The two wells in Section 2-T21S-R28E Tecolote St.#1, and State #1 wells are scheduled for operations to be assumed by Blaze Carnpinella. Blaze has indicated that he will put these wells back on intermittent production, pending availability of pulling unit. We are prepared to transfer these wells in the very near future, and are currently preparing assignments from W.I. participants and related transfer of operations paperwork.

The Guacamayo St. 1 well in Section 6-T21S-R27E is scheduled to be assigned to Bill Hansen, who operates a deep well on this lease. Bill has indicated that he will farm-in this well for the purpose of hooking up and selling gas from the existing Delaware perforations. He has asked that we wait for the price of gas to recover, however he seems prepared and ready to proceed. A previous obstacle was finding a source for water disposal, also the fact that pulling units have been in very short supply, until recently.

In the event that transfer of operations under these wells are not effectuated within 30 days, I will promptly contact you to discuss the remaining options of either conducting workover operations, posting bond (as you suggested), or T&A of the wells not put into production. I appreciate your assistance in resolution of this matter.

Sincerely,

George Scott, NGX

Cc: Blaze Campanella, Bill Hansen

OCD	EXHIBIT NO. 15
CASE NO.	12733-A