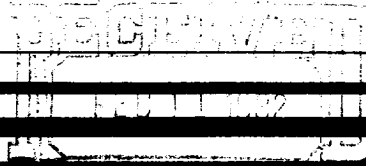


**Bennett
Petroleum
Corporation**



630 Spectrum Bldg.
1580 Lincoln Street
Denver, Colorado 80203
(303) 832-1555

February 5, 1982

Mr. Jim Snyder
Snyder Drilling Company
1507 Denver Club Building
Denver, Colorado 80202

Re: Phelps Dodge Well No. 2
Colfax County, New Mexico

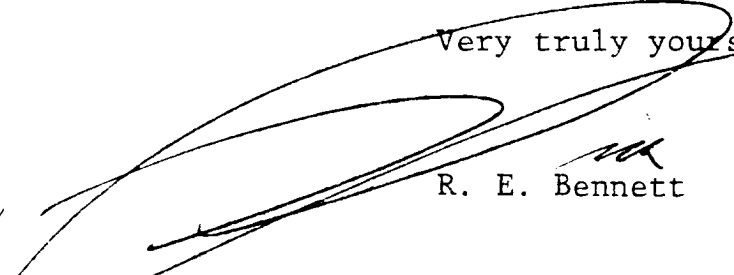
Dear Jim:

We have been having some fruitful discussions with the
Oil & Gas Commission of New Mexico.

They are willing to forego the P&A issue of Well No. 2;
however, you will need to fill the casing with cement
(on the order of 25 feet) and embed a dry hole marker
as called for in the New Mexico regulations.

They require that this work be accomplished no later
than March 1, 1982, and proper forms filed with the
State.

Very truly yours,


R. E. Bennett

REB:pm

bc: ✓ Mr. Carl Ulvog, N. M. Oil & Gas Conservation Commission
Cougar Petroleum Corporation
Bayly, Martin & Fay
The Travelers Ins. Co.
Mr. David Smink, Petroleum Engineer