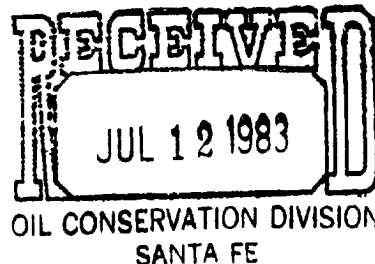


Bennett
Petroleum
Corporation



XXXXXXXXXXXXXXXXX 1580 Lincoln Street
XXXXXXXXXXXXXXXXX Suite 630
XXXXXXXXXXXXXXXXX Denver, Colorado 80203
XXXXXXXXXXXXXXXXX 303/832-1555

July 8, 1983

Mr. Jim Snyder, President
The Marlin Oil Company
518-17th Street, Suite 1507
Denver, Colorado 80202

Re: Phelps Dodge Well No. 5
P-24-T-28N, R-20E
Colfax County, N. M.

Dear Jim:

Further to my letter to you of June 20th, rumor has it that on August 28, 1980, a Gustin Drilling Company was operating a rig on Well No. 5. This re-entry or workover was supposedly underway for the account of Cougar Petroleum Company and for the purpose of re-cementing the 5½" production casing. Reportedly, the casing was cleaned-out and re-cemented; however, the State of New Mexico has received no reports concerning that operation. Obviously, such a development would have a bearing on an acceptable plugging procedure.

I think you agree that this whole sorted affair has gone on far too long. Because the operations are taking place on our acreage and under our bond, we need to have something "concrete" done. If it is of interest to you, Chalfont Oil & Gas Company is operating at a site approximately 9 miles northeast of your location. Their drilling contractors have been Sioux and Antelope Drilling. Unless we have a definite date and plan from you by this July 22nd as to when you will P&A Phelps Dodge No. 5 and have the location cleaned-up before September 1, 1983, we will employ the necessary personnel and workover rig to accomplish this work at your expense.

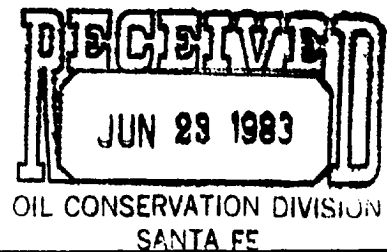
Very truly yours,

R. E. Bennett

REB:pm

cc: Mr. Carl Ulvog - State of N. M.
Cougar Petroleum (w/copy of BPC letter to Marlin, 6/20/83)
Attn: Mr. T. J. Byrnes, Pres.

**Bennett
Petroleum
Corporation**



630 Spectrum Bldg.
1500 Lincoln Street
Denver, Colorado 80203
(303) 832-1555

June 20, 1983

Mr. Jim Snyder, President
The Marlin Oil Company
518-17th Street, Suite 1507
Denver, Colorado 80202

Re: Phelps Dodge Well No. 5
Colfax County, New Mexico

Dear Jim:

This is to verify that you have received a copy of letter from Phelps Dodge dated June 16, 1983, authorizing you to enter Phelps Dodge's property and plug and abandon Well No. 5 and clean-up the location. Please advise when this will be accomplished.

Very truly yours,

A handwritten signature in dark ink, appearing to read "R. E. Bennett".

R. E. Bennett

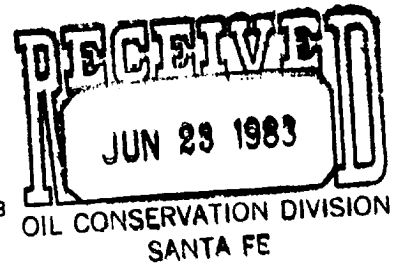
REB:pm

Enc.

cc: Mr. Carl Ulvog (w/enc.)
New Mexico Oil & Gas Commission
P. O. Box 2088
Santa Fe, New Mexico 87501



Seventeenth Street Plaza, Suite 2200
1225 Seventeenth Street, Denver, CO 80202 • (303) 296-0128



James L. Steidley
Vice President and General Manager

June 16, 1983

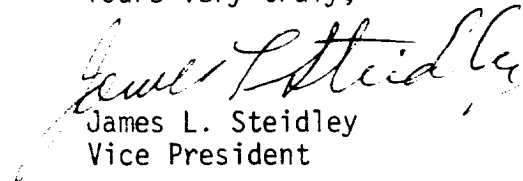
Mr. R. E. Bennett
President
Bennett Petroleum Corporation
1580 Lincoln Street, Suite 630
Denver, Colorado 80203

Dear Mr. Bennett:

Per your request contained in your letter dated June 15, 1983, you are hereby granted permission to enter Phelps Dodge Corporation's Dawson Properties in Colfax County, New Mexico for the purpose of plugging and abandoning the Phelps Dodge #5 Well drilled by The Marlin Oil Company.

Please furnish us a copy of plugging reports filed with the State when this work has been completed.

Yours very truly,



James L. Steidley
Vice President

JLS/pn

xc: Dr. Donald O. Rausch
Western Nuclear, Inc.

Mr. Jim Synder
The Marlin Oil Company

Mr. Carl Ulvog
New Mexico Oil & Gas Commission