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JUN 11 1993

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Harvey E. Yates Jr.  
Cibola Energy Corporation  
P.O. Box 26  
Tularosa, New Mexico 88352

June 9, 1993

Mr. Jim Kuykendal  
410 N. Atkinson Ave.  
Roswell, New Mexico

Dear Jim:

Yesterday we discussed again the Duncan Federal # 1. You bid \$5,600 to cut the casing at the top of the cement, pull the casing, lay it down on a float at the location and plug the well pursuant to the copy of the plugging notice I earlier sent you. We discussed the fact that one plug needs to be put in the top of the cut-off production casing as stated by Peter Chester of the BLM in the handwritten note on the plugging notice. You said that you could begin plugging the well approximately two weeks from this coming Monday which is June 29th.

We accept your bid. Please send Cibola an invoice to the attention of Alan Hunton at P.O. Box 1668, Albuquerque, New Mexico 87103 for the \$5,600 plus tax. Cibola will pay the invoice before you begin the plugging on the 29th.

Please call me if there is any change in this schedule. You have my Albuquerque numbers. My apartment number in Tularosa is 585-2056. Thank you.

Yours truly,

  
Harvey E. Yates Jr.

cc. Gary Williams OCD.  
Alan Hunton  
Tom Kimball