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July 25, 2001
VIA FACSIMILE

David Brooks, Esq.
New Mexico Department of Energy,
Minerals, and Natural Resources
Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505



Re: New Mexico Oil Conservation Division Order No. R-11520; In the Matter of the Hearing Called by the New Mexico Oil Conservation Division on its Own Motion for an Order (I) Requiring I.T. Properties to Properly Plug and Abandon a Certain Well in Eddy County, New Mexico; or (II) Authorizing the Division to Plug and Abandon this Well, and Ordering a Forfeiture of any Plugging Bond Covering this Well.

Dear Mr. Brooks:

We discussed this matter this afternoon. Last week, my client I.T. Properties wrote you and explained that it is having difficulty obtaining a rig to complete the work-over of the well at issue in the above-captioned case.

However, my client has been able to obtain written commitments from its partners in the property to pay their proportionate share of the work-over costs. Attached please find letters and letter agreements by which Devon SFS Operating, Inc., Yates Drilling Company, Yates Petroleum Corporation, Abo Petroleum Corporation, and Myco Industries, Inc., agree to bear those costs.

As you and I discussed, my client is attempting to obtain a commitment from its partners in the well to pre-pay those costs. Such a commitment might make it easier for my client to obtain a rig to perform the work-over.

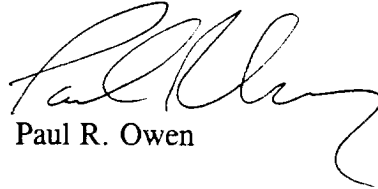
In our telephone conversation today, I confirmed my client's earlier request, submitted directly to you, that this case, currently scheduled for the July 27, 2001 docket, be continued. You agreed to that request, and indicated that the case would be re-scheduled for the August 24, 2001 docket. You also asked that before the August 24 docket, I provide you with evidence that my client's partners have agreed to pre-pay their proportionate work-over costs, or have paid such costs. I

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will provide you with that information as soon as I receive it.

Thank you for your consideration in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul R. Owen", with a long, sweeping flourish extending from the end of the name.

Paul R. Owen

cc: ✓ Mr. Wendell Chen (via facsimile)
✓ Mr. Tim Gum (via facsimile)