

11/10/99

RE: PHONE CALL FROM MERIT ENERGY / ARLENE VALLAQUITE
972-383-6558 FAX 972-960-1252

9:00AM

ARLENE VALAQUITE CALLED FROM MERIT ENERGY AND STATED SHE HAD RECEIVED NOTIFICATION FROM MERITS BOND INSURANCE COMPANY THAT O.C.D. HAD FILED ON THEIR BOND. SHE REQUESTED PERMISSION TO SUBMIT PLUGGING INTENTIONS ON THE BURTON FLAT WELLS #1, #2, #3. I GAVE MISS VALLAQUITE THE OPTION TO SUBMIT PLUGGING INTENTIONS AND TO BEGIN PLUGGING THE BURTON FLAT WELLS NO LATER THAN 60 DAYS FROM 11/10/99. I ALSO TOLD HER TO CONTACT RAND CARROLL TO SEE IF HE AGREES.

MIKE STUBBLEFIELD