

Mr. Jim Bruce
February 18, 1997
Page 2

12/11/96 (copy attached). A Sundry Notice will be filed with the BLM notifying them of our intent.

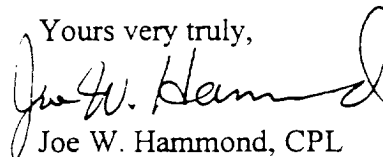
3. Attached is a vertical plan view of the well. (A horizontal plan view of the well is given on the land plat.

4. Attached is a location and production plat, indicating completions and proposed wells in the immediate area. It also indicates the line of cross-section A-A's.

5. Attached is cross-section A-A', containing type logs from wells, indicating the top and bottom of the IDE Delaware. Analysis in this reservoir suggests that the sand consists of a fairly massive interval 20 to 22 feet thick. This sand exhibits good porosity, with values ranging from 16 to 24 percent. Corresponding permeability values in the reservoir average less than 55 millidarcy. A horizontal well, drilled in the proposed location, will result in maximum drainage of the project area.

Should you need any additional data, please call me at (915) 686-6736.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Joe W. Hammond".

Joe W. Hammond, CPL
Senior Landman

JWH/efw
Atchs a/s

EWOR1619