



A Subsidiary of
St. Mary Land & Exploration Co.

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March 14, 2000

New Mexico Oil Conservation Division
811 South First
Artesia, NM 88210

Re: Forms C-104, C-105
Hopi Federal #2
Willow Lake Delaware Field
Eddy County, NM

Dear Sir or Madam:

Enclosed are 5 copies of OCD forms C-104 & C-105 for St. Mary Land & Exploration's recently completed Hopi Federal #2 well in Willow Lake Field in Eddy County. The suite of well logs and the driller's inclination report are also enclosed.

Nance Petroleum is a wholly owned subsidiary of St. Mary Land & Exploration. As of 1/1/00 we have assumed operations of St. Mary's Permian properties which had previously been operated under contract by Coastal Management Corporation.

Please do not hesitate to contact me if you have any questions regarding the enclosed documents or any other St. Mary/Nance issues.

Sincerely,

A handwritten signature in cursive script that reads "Herb Thackeray".

Herb Thackeray
Operations Engineer