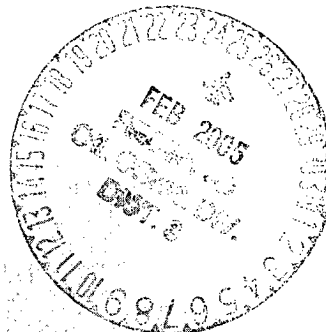


Jicarilla Apache Energy Corporation

February 23, 2005

Mr. Charlie Perrin
New Mexico OCD
1000 Rio Brazos Road
Aztec, New Mexico 87410



Dear Mr. Perrin,

Re: Jicarilla 200 (D-21) and Jicarilla 403 (I-17)

During a phone conversation between Mr. Charlie Perrin (NMOCD) and Mr. Jesse Evans (JAECO) on Friday, February 18, 2005, Mr. Perrin agreed to change the date that P&A proceeding must commence on the subject wells from March 15, 2005 to May 15, 2005.

The phone conversation was prompted by a letter received by JAECO, on February 16, 2005, from Mr. Mike Dimond, Vice-President of Benson-Montin-Greer Drilling Corporation (BMG). The letter stated that the NMOCD was requiring BMG to plug and abandon the subject wells by March 31, 2005 or face penalties and fines.

These wells are located on leases that have reverted to the Jicarilla Apache Nation, while the P&A liabilities for these particular wells remain with BMG. JAECO, on behalf of the Jicarilla Apache Nation, has requested that BMG refrain from plugging the subject wells until JAECO has performed testing necessary to determine if the wells are capable of economic production.

Please feel free to contact me at 505-759-3224 to discuss this matter. Thank you very much.

Sincerely,

Jesse D. Evans, CEO & President
Jicarilla Apache Energy Corporation

Xc: File

1 - 30-039-08126
2 - 30-039-21487