



February 2, 2000



United States Department of the Interior
Bureau of Land Management
Albuquerque Field Office
ATTN: BRIAN DAVIS
435 Montano Rd NE
Albuquerque, NM 87107-4935

Dear Brian:

Elm Ridge Resources, Inc. currently has a rig working in the Lybrook area. We plan to move over into the Jicarilla the first part of June and begin working on the following wells:

Jicarilla B-16 ✓
Jicarilla 362-B #4 ✓
Apache A-10
Apache A-5
Jicarilla 398-B #2

M-
P5-23N-4W (Payless well)

The Jicarilla Contract 158, Apache #1 does not show up in our records. Could you please fax me a legal description? I apologize for the delay in getting the information to you. One note of interest, the Jicarilla Contract 362 MM #2 we do not operate. Please call and advise if your records show otherwise. Again, I appreciate your patience.

If you need anything further from us, please call.

Sincerely,

Doug Endsley
Operation Manager

Condition of Approval:
Return well to production
by 7/15/00

2/8/00

ACCEPTED FOR RECORD