

MERRION

OIL & GAS

610 Reilly Avenue Farmington New Mexico 87401 Ph: 505-327-9801

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00 APR 17 AM 10: 53 Olo ALBUQUERQUE. N.M.

April 13, 2000

Mr. Brian W. Davis

Bureau of Land Management

435 Montano Rd. NE Albuquerque, NM 87107-4935

Subject: NMNM 40642 Cot 1

Extended Term Production Ne/4 Sec 35, T24N, R2W Rio Arriba County, New Mexico 30039 23693

Dear Mr. Davis:

In response to your letter dated April 4, 2000 the Cot 1 is capable of production in paying quantities. We plan to resume production May 1, 2000, which is within the 60-day timeframe set out in your letter.

We will file a production report at the appropriate time that should satisfy your inquiry.

If you need anything further please let me know.

Sincerely,

steven S. Dunn Drilling & Production Manager

Cc: Well File Dave Dupree Carl Merilatt

AFMSS

Adjud Engr

Accombod for Record