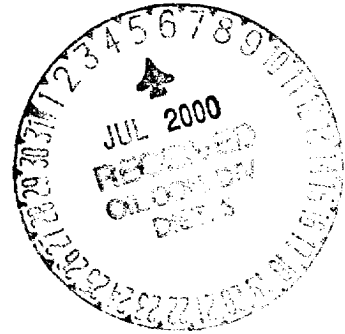


Mallon Oil Company

Denver/Colorado ♦ Durango/Colorado ♦ Carlsbad/New Mexico

a Mallon Resources Subsidiary

June 29, 2000



Mr. Frank Chavez
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410
Fax: (505) 334-6170

Re: Jicarilla 458-5 No. 5

H-5-30N-300

Dear Mr. Chavez:

We were instructed to notify the Aztec District Office upon implementation of the commingling process. The Pictured Cliffs, Ojo Alamo, Nacimiento and San Jose formations are being commingled down hole on the above referenced well. The date of first production was June 23, 2000.

Should you have any questions regarding this matter, please contact me at (970) 382-9100.

Sincerely,


John Zellitti
District Petroleum Engineer

JH

JZ/gd