

MERRION

OIL & GAS

June 4, 2002

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505-4000

Fax: 505-476-3471

Re: 2nd Supplemental Information
Non-standard Off-Pattern Coal Location
Panther #2
Section 25, T30N, R13W
San Juan County, New Mexico



Dear Mr. Stogner:

In response to your May 29, 2002 letter, attached is an updated plat showing ALL offset operators. I apologize for not including the operators to the west of the location to start with. I was under the impression that it was only necessary to notify those operators that the nonstandard location was moving CLOSER to (those on the east), not those from which we were moving further from!

In any case, all of the offset operators received certified copies of this letter. In addition, Universal Resources (the operator to the west) received certified copies of the initial application and my May 28th letter with supplemental information.

Again, I apologize for the confusion in my application. If you have questions or need additional information, please call me at (505) 327-9801, ext. 114.

Sincerely,

George F. Sharpe
Manager - Oil & Gas Investments

xc: Offset Operators
Aztec OCD
Farmington BLM

Exhibit 1

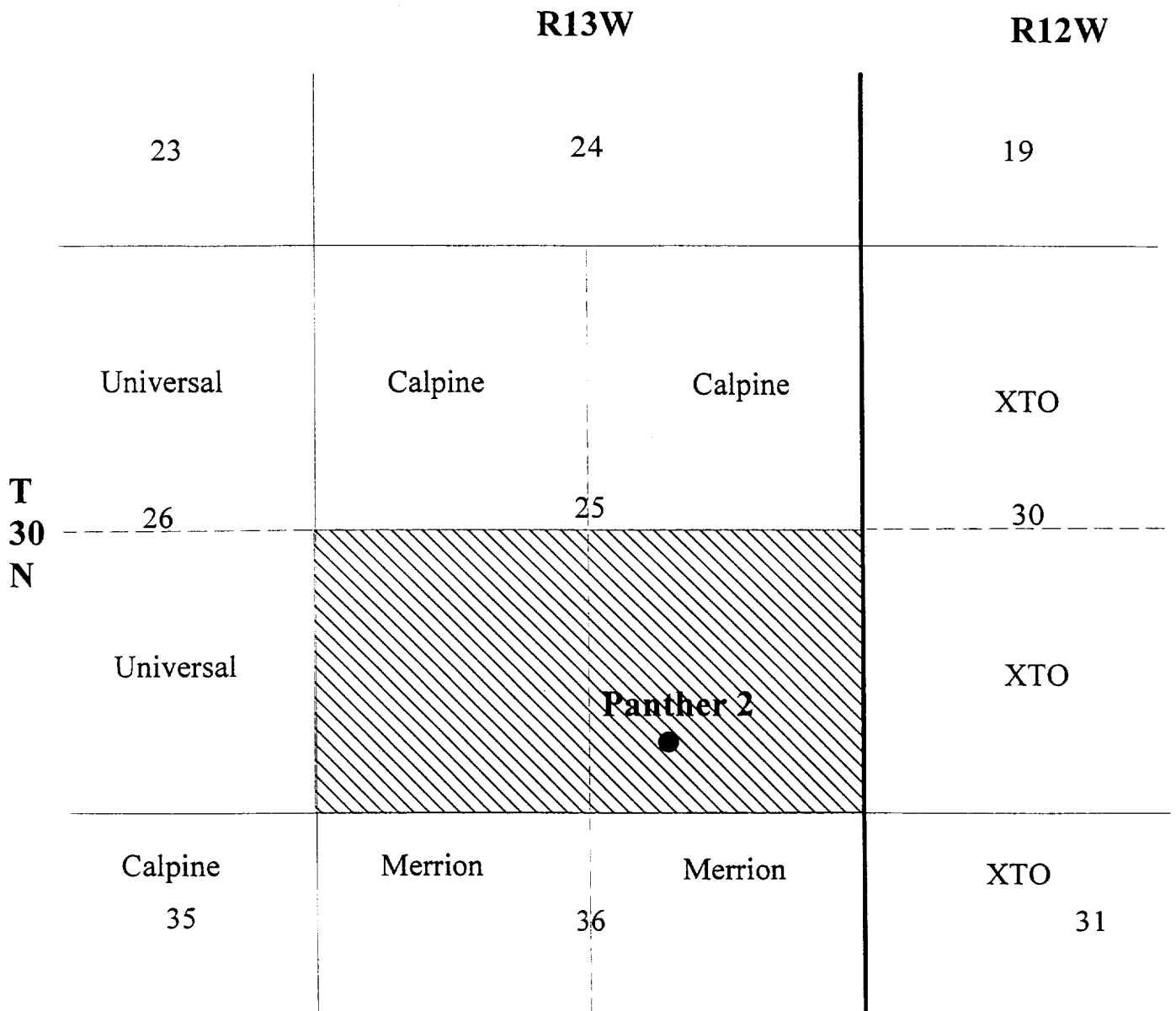
List of Offset Operators Panther #2 Non-Standard Location Application

XTO Energy
Attn: Mr. Gary Markestad
2700 Farmington Ave., Bldg. K, Suite 1
Farmington, New Mexico 87401

Calpine Natural Gas
Attn: Mr. Jerry Sullivan
1200 17th Street, Suite 770
Denver, Colorado 80202

Universal Resources
Jerry Gonzalez
1331 17th St., Suite 800
Denver, CO 80202

EXHIBIT 5
Offset Operator Plat
Panther 2 Non-standard Location Application



 FRLDCOAL Spacing Unit