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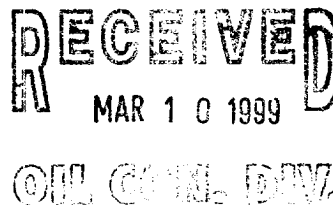


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March 8, 1999

New Mexico Energy, Minerals and
Natural Resources Department
1000 Rio Brazos Road
Aztec, NM 87410



Attention: Frank Chavaz

Subject: WELLS IN TABLE MESA FIELD

Dear Sir,

Conoco has recently been in discussions with your Charlie Perrin regarding a group of wells in the Table Mesa field that are uncontrollably flowing fluids to the surface. Through these conversations, Conoco understands that there is a possibility that we might be responsible for three of the identified wells.

We are presently in the process of searching Conoco's and public records to identify the responsibility for the wells. We do not believe that we will have completed our search before your operations personnel will be ready to move onto the three wells in question. Therefore, we propose that you continue with your present plans for plugging these wells.

Once we complete the search, we will be happy to share the results. In addition, we will inform you of our responsibilities associated with these wells.

I would also like to take this opportunity to thank Mr. Perrin for taking the initiative to contact and allowing us to work with you on this issue. Allowing us to know about the situation before you begin work on the wells gives us all an opportunity to do what is best for the environment, public and industry.

Yours Truly,

W. E. (Bill) Hudson
Sr. Production Foreman
San Juan Operating Unit