

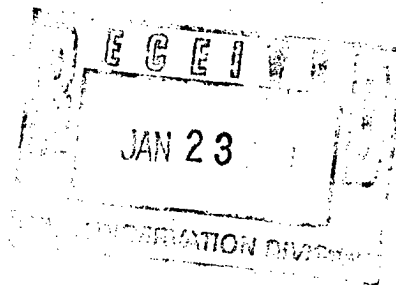


2600 N. Central Avenue, Phoenix, AZ 85004-3014 • (602) 234-8100

January 22, 2001

VIA OVERNIGHT MAIL

Mr. Roy E. Johnson
State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504



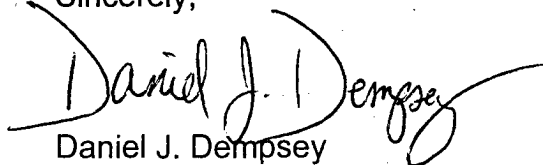
Re: Dawson Ranch Prospect - \$50,000 Blanket Plugging Bond

Dear Mr. Johnson:

Enclosed is an original State of New Mexico \$50,000.00 Blanket Plugging Bond for the Pacific Western Land Company Dawson Ranch Prospect. Pacific Western Land Company, a wholly owned subsidiary of Phelps Dodge Corporation, is a California corporation authorized to do business in the State of New Mexico. Drilling permits will be filed within the next several weeks following site surveying.

Please return a signed approved copy of the bond for our records. If you have any questions, please feel free to call me at (602) 234-4896.

Sincerely,


Daniel J. Dempsey
Resource Analyst

Enclosure

cc: Cynthia Chandley
John Worrall
Don Riggs