

REDSTONE OIL & GAS COMPANY

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Facsimile Transmission

Date: July 28, 1999

To: David Catanach - New Mexico OCD (505/827-8184 office & 505/827-1389 fax)

From: Scott Royal - Redstone Oil & Gas Company

Re: Administrative Order DHC - 2341
Rock Tank #1
Eddy County, New Mexico

Number of pages including this one: 1

Message (if any):

Please reference the subject administrative order concerning the commingling of the Upper & Lower Morrow in the Rock Tank #1. On June 23 1999, Redstone Oil & Gas Company commingled the production from the two zones and began flowing the well via the tubing string. Since that date, the well has produced in the range of 1183 to 1223 MCFD. With a month's worth of data, the well appears to have stabilized at said rate. It is my opinion that the assignment of production to the two zones (33% to the Upper & 67% to the Lower) stated in the order is appropriate. Please call me at your convenience should you have any questions.

Thanks you,

Scott Royal