INTEROFFICE MEMORANDUM

TO:

QUICKDRAW FILE

FROM:

SAM JOLLIFFE fam follifle

SUBJECT:

CORRESPONDENCE WITH QUICKDRAW WIO'S

DATE:

7/20/2004

CC:

Summary as to correspondence and conversations with owners under QuickDraw Federal #1 well proposal:

- 1.) Campbell Walker with Campbell Investment Company; We met with Campbell in person on May 20, 2004 in our offices in Midland. We discussed a partial participation option with Campbell, with said option including a Term Assignment to us for the remaining interest Campbell does not participate with. Follow up e-mails with formal proposal letters attached, were sent to Campbell on May 21 and July 2. Received executed letter from Campbell, he will participate with 5%, and grant Term Assignment on remaining interest.
- 2.) Pecos Production Company; Pecos received proposal on May 24. Spoke with Eric Dahlburg twice during the last week of June. As follow up, fax'd proposal & AFE to Eric on July 1.
- 3.) Calto Oil Company; spoke with Joan Germany several times via telephone. Fax'd Joan a land plat on July 1, per her request.
- 4.) Robert Thornton; received proposal on May 24. Spoke with Robert several times via telephone. Per Robert's request, we fax'd him a land plat, and title back-up as to the ownership of his interest.
- 5.) Gruy, L.L.C.; received proposal on May 22. Spoke with Jeannie at Gruy's office during the last week of June, to answer some general questions. She advised she would pass info. to Mr. Gruy, and would get back to us.
- 6.) William J. Derrick, Trustee; proposal returned to us on June 10. Have been unable to locate.
- 7.) John D. Cadigan; Received proposal on May 24. Have not heard anything from Mr. Cadigan.
- 8.) Warren Resources; Have spoken with Ellis Vickers a couple of times via telephone. Ellis requested an extension deadline to June 30 as to their reply, and we still have not received a formal reply.

OIL CONSERVATION DIVISION CASE NUMBER

EXHIBIT NUMBER

