



June 19, 2000

**VIA FEDERAL EXPRESS**

Nadel & Gussman  
First National Tower  
32<sup>nd</sup> Floor  
Tulsa, Oklahoma 74103  
Attention: Sam Jolliffe

Re: 4,600' Abo Test Well  
McClellan MOC Federal #22  
SE/4 of Section 28-T5S-R25E  
Chaves County, NM

NEW MEXICO  
LAND CONSERVATION DIVISION  
EXHIBIT 2  
CASE NO. 12466

Gentlemen:

Gothic Production Corporation hereby proposes the drilling of the McClellan MOC Federal #22, a 4,600' Abo test well to be located 1310' FSL and 1650' FEL in the SE/4 of Section 28-T5S-R25E, Chaves County, New Mexico.

Enclosed find an AFE setting forth the estimated costs to drill and complete said well. Please make your election below and return one (1) copy of this letter to the undersigned. If you elect to participate, please also include one (1) executed AFE and your geological requirement list setting forth the well information you wish to be provided as this well is drilling.

Should you elect not to participate and in lieu of electing to go non-consent, Gothic hereby offers to farmin all your right, title and interest, Nadel & Gussman delivering a 75% net revenue interest, whereby if said well is capable of commercial production, Nadel & Gussman will assign all of their right, title and interest in and to the McClellan MOC Federal #22, reserving an overriding royalty interest, proportionately reduced, in accordance with the interest conveyed. If these terms are acceptable, Gothic will promptly prepare a farmout agreement covering the drilling of this well for your review and execution. Gothic plans to commence pooling proceedings in the near future.

Nadel & Gussman  
Well Proposal Letter  
McClellan MOC Federal #22  
Section 28-T5S-R25E  
Chaves County, NM  
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If you have any questions in this regard, please do not hesitate to contact the undersigned.

Sincerely,

GOTHIC PRODUCTION CORPORATION



Angel Bruner  
Land Manager

\_\_\_\_\_ **NADEL & GUSSMAN** hereby elects to participate in the drilling of the **McClellan MOC Federal #22** well.

\_\_\_\_\_ **NADEL & GUSSMAN** hereby elects to go non-consent under the terms of the governing Joint Operating Agreement dated 1-8-82 in the drilling of the **McClellan MOC Federal #22** well.

\_\_\_\_\_ **NADEL & GUSSMAN** hereby elects to farmout it's interest, according to the terms set forth herein, in the drilling of the **McClellan MOC Federal #22** well.

**NADEL & GUSSMAN**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

Attachment