

Slogner

McElvain Oil & Gas Properties, Inc.

1050 17TH STREET, SUITE 1800

DENVER, COLORADO 80265

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LAND MANAGER

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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 28, 2001

TO AFFECTED WORKING INTEREST OWNERS
(see attached list)

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

RE: Case No. 12635, Order No. R-11663
Estimated Well Cost
Naomi #1 (Re-entry of Wynona #1)
S/2 Section 25, T25N-R3W
Rio Arriba County, New Mexico

CASE NO. 12484
Order No. R-11471

[Handwritten signature]
RECEIVED
OCT 4 - 2001
OIL CONSERVATION
DIVISION

Gentlemen:

Pursuant to the Paragraph (7) under order from New Mexico Oil Conservation Division R-11663 (copy enclosed) for the compulsory pooling application and hearing, Case No. 12635, please find enclosed the McElvain Oil & Gas Properties, Inc. Authority for Expenditure, which details the estimated cost re-enter the Wynona #1 well located in the SW/4 of Section 25, Township 25 North, Range 3 West, Rio Arriba County, New Mexico now known as the **Naomi #1 Well** for the purpose of completing same in the Mesaverde formation.

Those parties on the attached list are hereby noticed as being subject to the provisions and 30 day response requirement as described in the enclosed Order. We have included with this transmittal an Election Page and the signature page to the Operating Agreement and revised Exhibit "A" which has been previously furnished should you elect to participate. All elections must be returned fully executed as directed within the prescribed 30 day period.

If you have any questions or require additional information, please feel free to contact the undersigned.

Very truly yours,

McELVAIN OIL & GAS PROPERTIES, INC.

Mona L. Binion

Mona L. Binion, CPL
Land Manager

MLB/idi

WORKING INTEREST OWNERS

Affected by Compulsory Pooling under Order No. R-11663

Naomi #1 Well

From the base of the Pictured Cliffs formation to the base of the Mesaverde formation

September 28, 2001

*As of this date, the following parties **HAVE NOT** provided written indication of voluntary commitment to the proposed operation:*

D. J. Simmons Company Limited Partnership
1009 Ridgeway Place
Farmington, NM 87401

Forcenergy Onshore, Inc.
C/o Forest Oil Corporation
1600 Broadway, Suite 2200
Denver, CO 80202
Attention: Chuck Rasey