

McElvain Oil & Gas Properties, Inc.

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February 27, 2001

Chuck Rasey
Forest Oil Corporation
1600 Broadway, Suite 2200
Denver, CO 80202

Re: Edwards Lease
T25N, R3W - Section 25: S/2SE/4
Rio Arriba County, New Mexico

Gentlemen:

In accordance with our conversation of this date, please find enclosed the following materials

- Opinion of Title dated February 1, 2001 covering S/2 of Section 25, T25N-R3W
- Letter dated December 7, 2000 proposing re-entry of the Wynona #1 Well (now Naomi #1)
- Proposal to Purchase dated February 27, 2001
- Copy of Oil & Gas Lease dated April 16, 1980 from Floyd E. and Emma B. Edwards to Kenai Oil & Gas, Inc. covering the captioned lands, among others.

This information is being provided for your review and election regarding participation or sale to McElvain of the rights and interests owned by Forcenergy Onshore, Inc. (formerly Great Western Onshore, Inc.).

Inasmuch as we have had such difficulty tracing the interest of the parties down to your acquisition of Forcenergy since our original proposal was dated back in November of 2000, we are very anxious to conclude some arrangement with to in order that we may proceed with our re-entry project.

We certainly appreciate your attention to this request and ask that should you have any questions you feel free to contact the undersigned.

Very truly yours,
McElvain Oil & Gas Properties, Inc.

Mona L. Binion, CPL
Land Manager

MLB/idi
Encls.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12635 Exhibit No. 7
Submitted by:
McElvain Oil & Gas Properties, Inc.
Hearing Date: May 17, 2001