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Michael H. Feldewert

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August 20, 2001

Harold M. Hanson
Noseco Corporation
7400 Lakeside Drive
Reno, NV 89511

Richard M. Altman
Richard Altman & Company
1801 Broadway, Suite 1460
Denver, CO 80202

**Re: Prowler Federal #2 Well
E/2 Section 5, T-25-N, R-2-W**

Dear Gentlemen:

McElvain is in receipt of (a) Noseco's August 10th letter purporting to remove NM&O as operator of the above referenced well in favor of Richard Altman & Company or its subcontractor Falcon Petroleum as "successor operator," and (b) Richard Altman's August 14th letter proposing to abandon the existing producing zone in favor of re-completion efforts in the Mesa Verde Formation.

Please be advised that Noseco's attempt to remove NM&O as operator of the subject well is invalid under the terms of the Operating Agreement covering this property.

In addition, Richard Altman & Company (and its subcontractor Falcon Petroleum) have no right or authority to propose any re-completion efforts in the Prowler Federal #2 Well, or to undertake any efforts to operate that well.

Sincerely,



Michael H. Feldewert

MHF

cc: Oil Conservation Division Aztec district office
David Brooks
Mona Binion, McElvain
Mary Walta, Esq.