

SAN JUAN RESOURCES, INC.

JERRY McHUGH, Jr.

August 24, 2001

Frank A. King
4580 Belfort Place
Dallas, TX 75205

RE: Kaempf #1E Well, your MV Interest
T30N, R11W, Section 19: S/2, San Juan County, NM

Dear Mr. King,

San Juan Resources, Inc. (SJR) is going to drill a well deep enough to penetrate the lower Dakota formation by the end of the year. We will test both Dakota and Mesa Verde formations and attempt completions in both zones. Our plans are to commingle production in the two zones, MV and DK. We enclose a JOA, an AFE for the Kaempf #1E well, an exhibit indicating your interest between the base of the PC and the top of the DK, and a copy of a drill site plat.

Our records indicate that you are owner of the minerals between the Base of the Pictured Cliffs formation and the top of the Dakota Formation. You assigned your minerals to A. D. Mammel in the Dakota. In a telephone conversation two weeks ago with our office, you indicated that you wanted to participate in this well we are proposing. We hope that this information is what you need to determine your commitment to this well. In addition, please verify that this is the interest you own in the above referenced drill site.

The exhibit we enclose attached to the AFE indicates your interest in the non-DK zones below the base of the PC. We have included in the JOA a cost allocations provision, designed by some San Juan Basin companies who work together. If you will read this provision carefully, you will see how SJR will allocate expenses between the two zones, since we have non-equal ownership between the MV and DK. We will need to have you sign the JOA *prior* to SJR's spudding the Kaempf #1E well, so that we know as to your commitment to this well.

Please sign one copy of the signature page to the JOA and to the Exhibit "H" of the JOA, have your signature acknowledged and return one copy of each signature page back to our offices. A complete copy of the JOA will be forwarded to your at a later date. Please feel free to contact myself or landman, Dick Frazey, with questions or comments about this well or me.

Very Truly Yours,
SAN JUAN RESOURCES, INC.

COPY

Jerry McHugh, Jr.
PRESIDENT

Enclosures as indicated

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12796 Exhibit No. 6
Submitted By:
San Juan Resources
Hearing Date: February 21, 2002

1499 Blake Street, #7K
Denver, CO 80202 U.S.A.

Tel: 303.573.6333
Fax: 303.573.6444
email: jmchugh@sanjuanbasin.com

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, a. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Frank A. King
4580 Belfort Place
Dallas, TX 75205

COMPLETE THIS SECTION ON DELIVERYA. Received by (Please Print *y*) B. Date of Delivery

C. Signature

X *Frank A. King* ☐ Agent ☒ Addressee

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)

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PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only Insurance Coverage Provided)

4555 2899 4100 004E 6602 7099 3400 0014 6682 3554

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Certified Fee	2.10
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.10

Postmark Here
AUG 24 1999
DENVER CO 80248 996

Recipient's Name (Please Print Clearly) (to be completed by mailer)
Frank King
Street, Apt. No., or PO Box No.
4580 Belfort Place
City, State, ZIP+4
Dallas, TX 75205

PS Form 3800, February 2000 See Reverse for Instructions