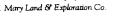


P.O. BOX 7168 • BILLINGS, MT 59103 550 N. 31st ST, SUITE 500 • BILLINGS, MT 59101 PHONE: (406) 245-6248 • FAX: (406) 245-9106



August 20, 2001

Mr. Tim Gum New Mexico Oil Conservation Division 811 South First Street Artesia, NM 88210



Re: Inactive Non-Compliant Well Status Update Request of 8/06/01

Dear Mr. Gum:

To follow is a summary of the actions taken to date to bring those wells previously identified as being inactive into compliance. St. Mary Land & Exploration is the operator of record for these wells, Nance Petroleum is a wholly owned subsidiary of St. Mary.

COMPLETED

Blackhawk Federal 001 API #30015252350000: Passed MIT on 1/17/01. Extended TA status.

Geronimo Federal 011 API #30015258030000: Set CIBP @ 4600' and circulated with packer fluid. Passed MIT on 1/19/01. Well TA'd.

Parkway Delaware Unit 101 API #30015261120000: Passed MIT on 12/18/00. Extended TA status. AFE is routing for reactivating and converting to water injector.

Parkway Delaware Unit 504 API #30015260280000: Ran 4" FJ liner and returned to production 2/00.

Osage Federal 007 API #30015260510000: Passed MIT on 12/18/00. Extended TA status.

Agave IK State 001 API #30015261690000: Passed MIT on 12/18/00. Extended TA status.

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Mr. Tim Gum Page 2 August 22, 2001

<u>Ending</u>

Tecumseh Federal 001 API #30015279350000: Reviewed company and OCD well files to locate well and prepare schematic diagram. P&A proposal forthcoming and to be completed by yearend.

Osage Federal 017 API #30015262980000: Due to significant activity surrounding our leases, we are planning a 3D seismic shoot over area for the 4th quarter. Pending seismic evaluation a proposal would be made to recomplete or TA.

Sincerely,

- Her Thackhan

Herb Thackeray Operations Engineer

Cc: Lynne Ellison St. Mary Land & Exploration 1776 Lincoln St. Suite 1100 Denver, CO 80203