

ARCO Permien 600 N Marlenfold Midland TX 79701 Post Office Box 1610 Midland TX 79702 Telephone 915 688 5200

December 18, 1998

Altura Energy, Ltd. P. O. Box 4294 Houston, Texas 77210-4294

Attention: Mr. Jerry D. West

Re: Evelyn 35 State Com #1 Well Township 17 South, Range 28 East Section 35: N/2 (1734' FNL, 660' FEL) Eddy County, New Mexico AR-105458-000

Gentlemen:

ARCO Permian attempted a Morrow sidetrack on the referenced well under an operating agreement dated June 1, 1996. This sidetrack was not successful.

Altura Energy Ltd., as successor to Amoco Production Company, is listed as operator under this agreement. It is our desire to return this wellbore to Altura for further evaluation.

Very truly yours, Lee M. Scarborough

Land Director, SE New Mexico

LMS/sb