

Texas Independent

Exploration, Inc.

1600 Smith, Suite 3800
Houston, Texas 77002
Phone: (713) 751-0419
Fax: (713) 759-0234

April 12, 1995

Paloma Resources, Inc.
Attn: Gene Lee
P. O. Box 1814
Roswell, NM 88201

Re: Peery Federal #5
Form C-104

Dear Mr. Lee;

I was contacted by the State of New Mexico and advised that a C-104 was never filed to take the Peery Federal #5 out of your name and reflect Texas Independent Exploration, Inc. as operator. Please find enclosed a Form C-104 which when signed by you will accomplish this. Another Form C-104, reversing this change of operator effective 2/15/95 removing (TIE) as operator and naming Paloma Resources, Inc. will complete the paper trail needed by the State. I spoke with someone in the Hobbs office today and she advised that the best way to handle this was for TIE to furnish Paloma with the signed forms and have Paloma mail them into the dist. office. If this meets with your approval please sign and mail these from your end, if not them sign and mail them back to us and I'll be glad to send them from here.

Sincerely,



Stephanie Brasso
Production Analyst

Enclosures

cc: file