



Michael A. Albosta
Coordinator, Gas Supply
Natural Gas and Gas Products Department

Conoco Inc.
10 Desta Drive, Suite 550E
Midland, Texas 79705
(915) 686-5553

January 18, 1993

Robert N. Enfield
P.O. Box 2431
Santa Fe, New Mexico 87504-2431

Attn: Robert Enfield

Re: Gas Purchase Proposal
Hudson "31" Fed #1 Lease
Lea County, New Mexico

Dear Robert:

Conoco has re-evaluated connection of the above referenced well and has found the following.

The distance from your well to our nearest gathering point is not 1/4 mile, as stated in my December 22 letter. The nearest connect point is approximately 5,300 feet to the south at the Amoco Nellis well; therefore Conoco's cost to lay to this well is much greater than I had estimated. Because of this, I will have to maintain that Conoco cannot lay to connect this well.

In essence, my December 22 offer still stands - Enfield lays to Conoco at the Amoco Nellis battery, Conoco sets metering and amends the Hudson 5,6,7 contract #12044 to add this new well and to allow Conoco to charge Enfield any penalties imposed on Conoco due to not being able to meet its plant residue BTU specification.

I apologize for my error, but I'm afraid it only made my situation worse. Please consider this offer and call me to discuss.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael A. Albosta", written over a horizontal line.

Michael A. Albosta
Coordinator - Gas Supply