

Phoenix Distributing Corp.
P.O. Box 540
Marlboro, NJ 07746
Tel: 908-693-3425
Fax: 732-817-0453

July 2, 2001

Mr. Chris Williams
Supervisor, District 1
Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico, 88240

RE: Phillips Lea Well #4, SWD
Section-31, Township 17S and Range 34E
Pressure Charts – Annulus
Lea County, New Mexico

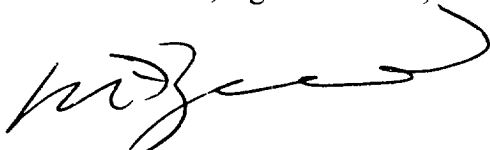
Dear Mr. Williams:

Enclosed are the original charts from the casing pressure recorder installed on the subject well. The pressure remains at zero for the month of May 2001.

Our Company has purchased all of Rover's interest in the field, but has retained Rover as consultants. Any questions please feel free to call either David at Rover or myself.

Sincerely,

Lease # 59882, Ogrid #172848, Pool # 62180 and property name Phillips Lea # 23701

A handwritten signature in black ink, appearing to read 'J. Zuccarino', with a long, sweeping horizontal line extending to the right.

John D. Zuccarino
President

