

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

February 26, 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

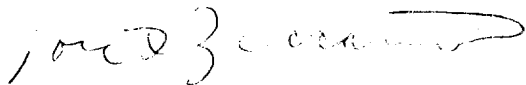
Dear Mr. Williams:

Enclosed are the original charts from the casing pressure recorder installed on the subject well. The pressure remains at zero for the month of January 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 dark ink, appearing to read "John D. Zuccarino". The signature is fluid and cursive, with a large, sweeping flourish at the end.

John D. Zuccarino  
President

