



Terry L. Manning
Right of Way Agent
Right of Way and Claims

Conoco Inc.
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November 10, 2000

Department of the Interior
Bureau of Land Management
620 E. Greene
Carlsbad, New Mexico 88220
Attn: Barry Hunt

**RE: Settlement Letter for Well Location and Appurtenances
SEMU 152
Section 19, T20S, R38E, NMPM
Lea County, New Mexico**

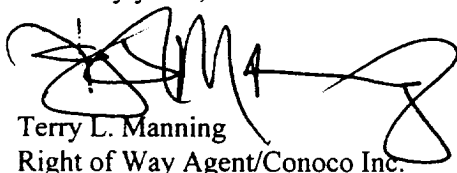
Dear Mr. Hunt;

Please find enclosed a copy of a damage settlement letter for the above referenced to the fee surface owner, Robert McCasland.

We plan on beginning construction on or about January 1, 2001 and will rely upon our nationwide bond for actual damages, if any, that might result from our operations. We will strictly adhere to the stipulations set forth in the approved APD and will continue to negotiate with Mr. McCasland in an attempt to reach a mutual agreement for damages.

If you have any questions or concerns, please contact me at 915-686-6548.

Sincerely yours,



Terry L. Manning
Right of Way Agent/Conoco Inc.