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August 18, 1999

Evans Consulting Group
931 Rio Grande Dr.
Mission, TX 78572

Attn: David Evans
RE: 3D Seismic

Dear David:

The Wexpro operated Mesa and Pinedale Units are centrally located on the Pinedale anticline (approximately T32-33N-R109W). Because of industry success at Jonah Field to the south and new wells on the anticline, the Pinedale anticline area has become the focus of a major drilling effort that is anticipated to last several years. Wexpro will be involved in drilling wells in the area to protect its correlative rights.

A 3D seismic program consisting of approximately 85 square miles is being shot over this area. This seismic program is expected to help identify the location of the controlling mechanisms related to well performance. Such mechanisms may be due to any of a number of seismically identifiable features, such as faulting, lineament trends, fracture trends, etc. In the Jonah field it appears that fracture trends in part control well performance. It is hoped that the 3D seismic information can help Wexpro identify these trends and, therefore, where to optimally place future wells, or just as importantly, where to avoid drilling. Wexpro's percentage of participation in the 3D seismic program is proportional to its ownership in the area (approximately 16.66% of \$1.3 million) and is expected to cost approximately \$217,000 total to Wexpro. The exact costs are still in flux until all the details are in place, but this should be a reasonable approximation, It should be noted that this is a new seismic program and that there are always risks associated with the quality and usability of the final gathered data. We have reviewed the gathering and processing parameters for the data and anticipate good quality data and a successful 3D seismic program.

Based on the October 17, 1994 guideline letter on 3D seismic participation, we are requesting pre-authorization to participate in this 3D seismic survey. Also following that guideline letter these costs will be expensed rather than capitalized. Please indicate below your approval of our participation in this seismic program. Should you have any questions, please give me a call.

Sincerely,

James R. Livsey
Wexpro Coordinator

Approved:
David Evans

Date: 9-22-99