

March 20, 1990

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MAR 22 1990

COLO. OIL & GAS CONS. COMM.

Mr. Dave Edwards
Well Records Department
Oil & Gas Conservation Commission
Dept. of Natural Resources
1580 Logan St, Suite 380
Denver, Co. 80203

RE: FAWN COLTHARP OIL & GAS LEASE, RANGELY, COLORADO

Dear Mr. Edwards:

Thanks for the notice and telephone instructions -- we desire to efficiently coordinate our oil & gas development activities with your office. Perhaps we'll soon become procedurally familiar with the requirements of your *records* department.

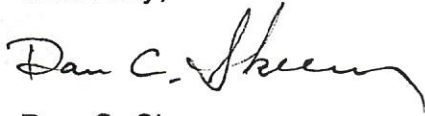
As I indicated on the telephone, and as is indicated on the three enclosed well reports, we began drilling the "B-1", "A-2", and "E-1" Coltharp lease locations in October and November of last year. The work extended through most of January, but drilling was suspended subject to an improvement in the weather, (rig (hydraulics / pump) repairs, casing / water circumstances, etc. As the reports indicate, our intention is to curtail the entry of all "upper" formation water by casing to the appropriate depth in each of the above-stated wells. We would then resume drilling each well until the target depth is reached. We expect to proceed with drilling activities when weather conditions become dry and generally more suitable for our purpose.

On the enclosed *Sundry Reports*, I've indicated the adjusted or corrected coordinates of each well. Also, please let me know if it would be possible or convenient to change the well identification numbers so that we can more easily make them more consistently identifiable (sequential). **We'd like change well no. "B-1" to become "A-1", "A-2" to remain the same, and "E-1" to be identified as "A-3".** If the ID modifications are impractical to accomplish at this stage of development, please advise.

Concerning Well No. "C-3", no drilling or drilling preparation activity has been initiated. We may want to abandon that particular drilling location and replace it with a different one. However, we'd rather not commit to a *revised* location (via a new drilling application {?}) until test results are later obtained from the three wells with "activity" status. Please advise on this matter also.

Your cooperation will be appreciated.

Sincerely,

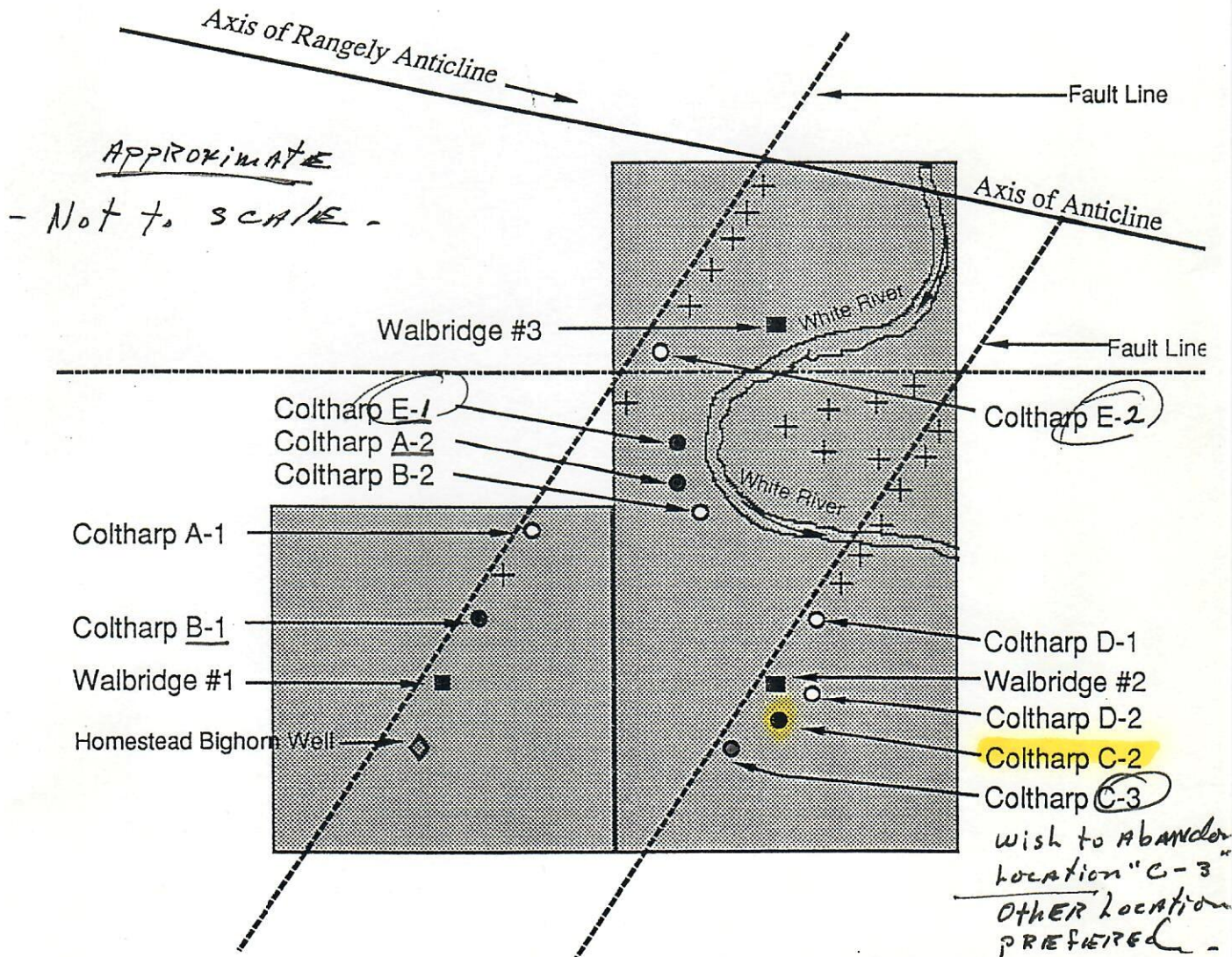
A handwritten signature in cursive script, appearing to read "Dan C. Skeem".

Dan C. Skeem

DCS/js
Encls.

AuraQwest Capital Corp.

Coltharp Fee Lease Rio Blanco County, Co.



Legend

- Amoco's "Weber" wells (6,000 to 7,000 ft.)
- Surveyed drilling locations

1/4 in. = 200 ft.

APPROX.