



October 16, 1996

P & M Petroleum LLC
1600 Broadway suite 1700
Denver, CO 80202

Dear Sir:

Your Mayberry SWD #2 well, SWNW 10-34S-41W, Baca County was inspected by me on September 30, 1996. The well was observed to have the same pressure on both the annulus and the tubing. When the tubing was shut in, both pressures went to zero, an indication of a tubing/packer leak. The well was subsequently shut in and the flowline was disconnected.

This well is required to either be repaired and retested or plugged and abandoned within 6 months. If you decide to repair the well it must successfully pass a mechanical integrity test prior to commencement of injection of produced water.

If you have any questions about what is required, please contact me at (719) 336-2843.

Sincerely,

Robert J. Van Sickle
Petroleum Engineer