

August, 22, 2006

Sisters LLC
2401 Martin Ln.
Carlsbad, NM 88220

Oil Conservation Division
1301 W. Grand Ave.
Artesia, NM 88210

ATTN: Garry Guy
Artesia OCD District Office

Dear Garry,

We had discussed the possibility of Brad Bennett Operating as being interested in taking the Malaga Unit Wells for salvage.

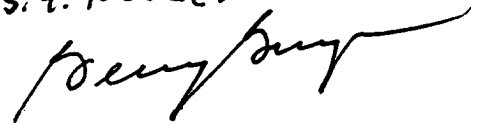
I called Brad and he said he was phasing out of the business so he would not be interested. He did say he would try to put someone else in touch with me that would be interested in the same offer as I had offered him.

Sincerely,



Bill Rich

Authority to inject withdrawn
IAW Rule 19.15.9.705.C(1)



Accepted for record
NMOCD



30-015-03702



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Carlsbad, NM 88220

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1301 W. Grand Ave.
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ATTN: Garry Guy
Artesia OCD District Office

Dear Garry,

In response to our phone conversation August 18, 2006 pertaining to the Malaga Unit #2.

The well, Malaga Unit #2 - 30-015-03702-00-00 M-7-24S-29E was shut in on October 25, 2005 for well test and has been shut in since that date.

I had electricity shut off and had meter removed within 10 days of that date.

Sincerely,

Bill Rich
Bill Rich

Accepted for record
NMOCD *pr*