



RCVD FEB 21 '13
OIL CONS. DIV.
DIST. 3

February 21, 2013

Mr. Jonathan D. Kelly
Compliance Officer
New Mexico Oil Conservation Division
Energy, Materials, & Natural Resources
1000 Rio Brazos
Aztec, NM 87410

DELIVERY VIA E-MAIL

Re: Smyslov H #2 Pit Closure Plan 30-043-21106

Dear Mr. Kelly,

CBM Partners is planning to close the pit near where the Smyslov H # 2 well was planned to be drilled. We are currently receiving bids from contractors to complete this closure.

We will commence closure activities under NMOCD rules and regulations. We will provide notice prior to commencing activity. Tom Mullins of Synergy Operating, LLC, will be assisting us to help ensure all required compliance procedures are followed. As we discussed and agreed on our call today we will have the pit closed by May 31, 2013. If there are any weather or other unforeseen delays in closing the pit we will inform you of the cause and time impact of these delays. Please let us know if you have any concerns or questions with our proposed course of action.

Sincerely,

Lars W. Scott
Treasurer