

**From:** Ron Lanning [mailto:rlanning@mackenergycorp.com]  
**Sent:** Wednesday, May 19, 2004 10:46 AM  
**To:** 'Bo Blue'  
**Subject:** RE: Roughneck Red "29" #1  
I'm afraid we're out of options. I'll see you in Santa Fe.  
Ron

-----Original Message-----

**From:** Bo Blue [mailto:bblue@prestonexpl.com]  
**Sent:** Wednesday, May 19, 2004 9:36 AM  
**To:** rlanning@mackenergycorp.com  
**Subject:** RE: Roughneck Red "29" #1

Not when our partners are willing to spend the extra drilling dollars and risk associated with a deviated hole.

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**From:** Ron Lanning [mailto:rlanning@mackenergycorp.com]  
**Sent:** Tuesday, May 18, 2004 4:03 PM  
**To:** 'Bo Blue'  
**Subject:** RE: Roughneck Red "29" #1

By accepting your proposal we only gain a .41667% ORRI under the spacing unit.

If I can get my management to consider a lower backin, can we get anywhere?

-----Original Message-----

**From:** Bo Blue [mailto:bblue@prestonexpl.com]  
**Sent:** Tuesday, May 18, 2004 1:54 PM  
**To:** rlanning@mackenergycorp.com  
**Subject:** RE: Roughneck Red "29" #1

We are willing to drill the well off your surface at a location approx. 1200' FNL and 1280' FWL (a directional well) and incur an additional \$300,000 in cost, for a term assignment at 75% NRI and reimburse your bonus cost in the Riley lease. Otherwise, we are going to seek our original location 1480' FNL and 1980' FWL which is on your surface.

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**From:** Ron Lanning [mailto:rlanning@mackenergycorp.com]  
**Sent:** Tuesday, May 18, 2004 2:49 PM  
**To:** 'Bo Blue'  
**Subject:** RE: Roughneck Red "29" #1

Bo...

At what surface location?

Ron

-----Original Message-----

**From:** Bo Blue [mailto:bblue@prestonexpl.com]  
**Sent:** Tuesday, May 18, 2004 1:34 PM  
**To:** rlanning@mackenergycorp.com  
**Subject:** Roughneck Red "29" #1

Ron, is there no deal to be made on this well prior to the hearing which does not include a 1/3 backin?

Bo Blue

Preston Exploration, LLC

New Ventures Land Manager

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