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February 15, 2012

VIA EMAIL AND UNITED STATES MAIL

Mr. J. Scott Hall, Esq.
Montgomery and Andrews, P.A.
P.O. Box 2307
Santa Fe, New Mexico 87504
shall@montand.com

**RE: Tom Ragsdale
State CD No. 1 and Cockburn A State No. 5**

Dear Mr. Hall:

We are in receipt of your letter to James Bruce, Esq. regarding payment of revenues to Mr. Ragsdale for production from the State CD No. 1 and the Cockburn A State No. 5. As you are aware, Mr. Ragsdale has not paid his joint interest billings on these wells for well over one year – specifically he has not paid his joint interest billings for 16 of the past 17 months. As a result of Mr. Ragsdale's gross failure to pay his share of the operating expenses of these wells, we have exercised our legal and equitable right to suspend his runs. We will gladly release the runs if he will pay his outstanding balance. Alternatively, if he provides written authorization, we will release his runs net of his unpaid joint interest bills.

Yours very truly,

Joel M. Carson III
General Counsel

cc: James Bruce, Esq.
Richard E. Olson, Esq.

Oil Conservation Commission
Case No. _____
Exhibit No. 23