

**PRIMERO**  
OPERATING, INC.

POST OFFICE BOX 1433  
ROSWELL, NEW MEXICO 88202  
(505) 622-1001 FAX (505) 625-0227

March 11, 2005

REC-7D

MAR 21 2005

OIL CONSERVATION  
DIVISION

Attention: Armando A. Lopez  
Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88021

Attention: Pete Martinez  
Commissioner of Public Lands  
Oil, Gas and Minerals Division  
New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, NM 87504-1148

Attention: Roy Johnson  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87503

Re: Request for extension of time to commence the drilling of the Primero Operating, Inc.  
No. 3 CHMU well

Gentlemen:

The 2004-2005 Plan of Development and Operation of the Cat Head Mesa Unit Area, Socorro County provides that the drilling of the Primero Operating, Inc. No. 3 CHMU well be commenced prior to April 1, 2005. Since we have been unable to date to contract a rig to drill this well, it is unlikely that we will be able to commence the drilling of the No. 3 CHMU well by that date. Therefore, we request a ninety-day extension to commence the well in accordance with the provisions of Section 25. UNAVOIDABLE DELAY of the Unit Agreement.

If you approve, please so indicate in the space provided below and return a copy of this letter to us.

Very truly yours,  
Primero Operating, Inc.

By: \_\_\_\_\_

Phelps White, President

We approve the extension of time to commence the drilling of the Primero Operating, Inc. No. 3 CHMU well to July 1, 2005 as described above.

New Mexico Commission of Public Lands

By: \_\_\_\_\_

Date: \_\_\_\_\_

Bureau of Land Management

By: \_\_\_\_\_

Date: \_\_\_\_\_

New Mexico Oil Conservation Division

By: \_\_\_\_\_

Date: March 24, 2005