

BEN DONEGAN
3224 CANDELARIA NE
ALBUQUERQUE, NEW MEXICO 87107

Phone 505 884-2780
Fax 505 888-2621

RECEIVED

SEP 22 2005
OIL CONSERVATION
DIVISION

September 17, 2005

Attention: Armando A. Lopez
Bureau of Land Management
2909 West Second Street
Roswell, NM 88201

Attention: Pete Martinez
Commissioner of Public Lands
Oil, Gas and Mineral 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, New Mexico 87503

Re: Approvals of the extension of the time to commence the drilling of the
Primero Operating, Inc. No. 3 CHMU well, Cat Head Mesa Unit Area No.
NMNM 106852X, Socorro County, New Mexico to April 1, 2006

Gentlemen:

The Bureau of Land Management and the New Mexico Oil Conservation
Division have joined the New Mexico State Land Office in extending the time
for the commencement of the drilling of the No. 3 CHMU well to April 1,
2006. Copies of the three approval letters are enclosed.

Very truly yours,

Primero Operating, Inc.

By: Ben Donegan
Ben Donegan, Agent

BD/nn
Encl.



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

September 12, 2005

Mr. Ben Donegan
3224 Candelaria NE
Albuquerque, New Mexico 87107

Re: Cat Head Mesa Unit Well No. 3
Drilling Extension to April 1, 2006
Socorro County, New Mexico

Dear Mr. Donegan:

We are in receipt of your letter of September 6, 2005. In your letter, you have requested an extension of time in which to drill the Cat Head Mesa Unit Well No. 3.

The Commissioner of Public Lands hereby grants you an extension to April 1, 2006 to commence the drilling of the Cat Head Mesa Unit Well No. 3. This action is subject to like concurrence by the Bureau of Land Management and the New Mexico Oil Conservation Division.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
BLM Roswell-Attn.: Mr. Armando Lopez
OCD-Attn.: Mr. Roy Johnson

-State Land Office Beneficiaries-

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

**BEN DONEGAN
3224 CANDELARIA NE
ALBUQUERQUE, NEW MEXICO 87107**

**Phone 505 884-2780
Fax 505 888-2621**

Via Federal Express

September 6, 2005

Attention: Armando A. Lopez
Bureau of Land Management
2909 West Second Street
Roswell, NM 88201

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

Attention: Pete Martinez
Commissioner of Public Lands
Oil, Gas and Mineral Division
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501-2708

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. Each of you extended the time to October 1, 2005. We were constructing the road and location for the No. 3 CHMU well and had a United Drilling Company, Inc. rig contracted and ready to move in and commence the drilling of the well in June 2005, when the BLM office in Socorro unexpectedly shut us down for further review of our proposed ROW for our well and delayed their final approval of our original ROW until after we had lost the United rig to another operator. United has assured us that their rig will be available again to drill our well on its way back from Utah, but it is unlikely now that we will have their rig in time to commence the drilling of the well before October 1, 2005. Meanwhile, we are continuing to search for an alternate drilling rig without success. Therefore, in accordance with the provisions of

Section 25. UNAVOIDABLE DELAY. of the Unit Agreement, we now request an extension of the time to commence the No. 3 CHMU well to April 1, 2006.

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

Very truly yours,

Primero Operating, Inc.

By: 
Ben Donegan, Agent

We approve the extension of time to commence the drilling of the Primero Operating, Inc. No. 3 CHMU well to April 1, 2006 as described above:

Bureau of Land Management

New Mexico Oil, Gas and Mineral Division

By: _____ By: _____

Date: _____ Date: _____

New Mexico Oil Conservation Division

By: 

Date: 9/7/05

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FBI - ALBUQUERQUE

Via Federal Express

September 6, 2005

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Bureau of Land Management
2909 West Second Street
Roswell, NM 88201

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Commissioner of Public Lands
Oil, Gas and Mineral Division
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Page 2
Request for extension
September 6, 2005

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

Very truly yours,

Primero Operating, Inc.

By: Ben Donegan
Ben Donegan, Agent

We approve the extension of time to commence the drilling of the Primero Operating, Inc. No. 3 CHMU well to April 1, 2006 as described above:

Bureau of Land Management

New Mexico Oil, Gas and Mineral Division

By: Kim A. Loya

By: _____

Date: 9/15/05

Date: _____

New Mexico Oil Conservation Division

By: _____

Date: _____