

2006 NOV 3 PM 1 19

October 30, 2006

Bureau of Land Management  
Attention: Alexis Swoboda  
2909 West Second Street  
Roswell, NM 88201

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

Commissioner of Public Lands  
Oil, Gas and Mineral Division  
Attention: Pete Martinez  
P.O. Box 1148  
Santa Fe, NM 87504

RE: Cat Head Mesa Unit Area  
Extension of Commencement date and Designation of  
Successor of Unit Operator  
Socorro County, New Mexico

Ladies and Gentlemen:

Enclosed please find approval from each of the above entities regarding the proposed  
Extension of Commencement date and the Designation of Successor Unit Operator.

Should you need further information, please call me at the number listed below.

Best regards,



Sandy Ellis  
Senior Landman

SE/jt  
Enclosures

CC: Ben Donegan  
3224 Candelaria NE  
Albuquerque, NM 87107  
w/attachments





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201

IN REPLY REFER TO:  
NMNM106852X  
3180 (NM513)

OCT 18 2006

Chaparral Energy, L.L.C.  
Attn: Ms Sandy Ellis  
701 Cedar Lake Blvd.  
Oklahoma City, OK 73114

Re: Designation of Successor Unit Operator  
Cat Head Mesa Unit Area  
Socorro County, New Mexico

Dear Ms Ellis,

This office has received and reviewed the Designation of Successor Unit Operator in which your company has agreed to assume all rights, duties, and obligations as the unit operator of the Cat Head Mesa Unit Area, Socorro County, New Mexico.

As your company holds a nationwide bond, WYB000230, and all the conditions for becoming a successor unit operator have been met to the Authorized Officer's satisfaction, Chaparral Energy, L.L.C. is hereby approved as the unit operator for the Cat Head Mesa Unit as of this date and is effective October 10, 2006. Well signs should reflect Chaparral Energy, L.L.C. as the unit operator. Please inform all interested principals of such approval. An approved copy of this designation is attached.

In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approvals that would entitle it to conduct operations under the Cat Head Mesa Unit Agreement.

A copy of the revised Exhibit B for the Cat Head Mesa Unit should be submitted to this office within 30 days of receipt of this letter.

Pursuant to Section 10 of the Unit Agreement, Plan of Operations, an up-to-date plan for this unit should be submitted to this office within 30 days of receipt of this letter.

Please direct any questions to Alexis C. Swoboda, P.E., 505-627-0228.

original - Sandy Ellis  
Scan 10/27/06 -

Dave Matz  
Martha Marshall  
Bree Shanahan  
Charles Warner  
Roy Brown  
Mike Warmack  
Bob Kelly

Sincerely,

*Larry D. Bray*

Larry D. Bray  
Assistant Field Manager  
Lands and Minerals

CHANGE IN UNIT OPERATOR  
CAT HEAD MESA UNIT AREA  
SOCORRO COUNTY, NEW MEXICO  
No. NMNM 106582X  
352

RECEIVED  
2006 OCT 12 AM 10:52

BUREAU OF LAND MANAGEMENT  
ROSWELL, NEW MEXICO

This indenture dated as of the 10th day of October, 2006, by and between Primero Operating, Inc., hereinafter designated Primero, and Chaparral Energy, L.L.C., hereinafter designated Chaparral:

Witnesseth: Whereas under the provisions of the Act of February 25, 1920, 41 Stat. 437 30 U.S.C. secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Department of the Interior, on the 1<sup>st</sup> day of November, 2001, approved a unit agreement for the Cat Head Mesa Unit Area, wherein Primero is designated as Unit Operator; and

Whereas Primero, Chaparral and all of the owners of working interests in the oil and gas leases covering the Unitized Lands have entered into an agreement that Chaparral will replace Primero as Unit Operator, and

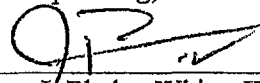
Whereas Primero desires to transfer, assign, release and quitclaim, and Chaparral desires to assume all the rights, duties and obligations of Unit Operator under the unit agreement; and

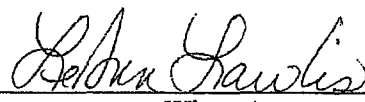
Now, therefore, in consideration of the premises hereinbefore set forth, Primero does hereby transfer, assign, release and quitclaim unto Chaparral all of Primero's rights, duties and obligations as Unit Operator under said unit agreement; and

Chaparral hereby accepts this assignment and hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of said unit agreement to the full extent set forth in this assignment, effective upon approval of this indenture by the authorized officer of the Bureau of Land Management; said unit agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.


In witness whereof, the parties hereto have executed this instrument as of the date hereinabove set forth.

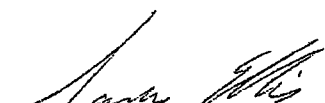
Primero Operating, Inc.

By:   
J. Phelps White, IV, President

  
Witness

Chaparral Energy, L.L.C

By:   
Robert W. Kelly, II Attorney-in-Fact

  
Witness

I hereby approve the foregoing indenture designating Chaparral Energy, L.L.C. as Unit Operator under the unit agreement for the Cat Head Mesa Unit Area this 18<sup>th</sup> day of October, 2006.

By: \_\_\_\_\_  
Authorized officer of the Bureau of Land Management

0002  
10/17/06

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

October 11, 2006

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

Re: Cat Head Mesa Unit Well No. 4  
Drilling Extension to May 1, 2007  
Socorro County, New Mexico

Dear Mr. Donegan:

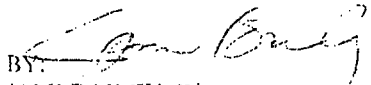
We are in receipt of your letter of October 9, 2006. In your letter, you have requested an extension of time in which to drill the Cat Head Mesa Unit Well No. 4.

The Commissioner of Public Lands hereby grants you an extension to May 1, 2007 to commence the drilling of the Cat Head Mesa Unit Well No. 4. 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.: Ms. Alexis Swoboda  
OCD-Attn.: Mr. Ed Martin

-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



United States Department of the Interior

RECEIVED  
OCT 26 2006  
LAND DEPT.

BUREAU OF LAND MANAGEMENT

Roswell District Office  
2909 West Second Street  
Roswell, New Mexico 88201

IN REPLY REFER TO:

MNM106852X  
3180 (NM513)

Chaparral Energy, L.L.C.  
Attn: Ms Dana Latimer-Sittig  
701 Cedar Lake Blvd.  
Oklahoma City, OK 73114

OCT 24 2006

Re: Request for Extension of Commencement Date  
Cat Head Mesa Unit Area  
Socorro County, New Mexico

Dear Ms. Latimer-Sittig,

This office has received your letter, dated October 18, 2006, in which your company has requested an extension of the commencement date to drill the Cat Head Mesa Unit well #4.

This request is hereby approved and you are granted an extension to May 1, 2007 to begin drilling the Cat Head Mesa Unit #4 well.

This approval is subject to concurrence of the Commissioner of Public Lands and the New Mexico Oil Conservation Division.

If you have any questions, please contact Alexis C. Swoboda, P.E. at 505-627-0228.

Sincerely,

Larry D. Bray  
Assistant Field Manager  
Lands and Minerals

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

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

October 9, 2006

Attention: Alexis Swoboda  
Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88201

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

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

Re: Request for extension of time to commence the drilling of the No 4. CHMU well  
Cat Head Mesa Unit Area  
Socorro County, New Mexico

Ladies and Gentlemen:

Primero Operating, Inc., Operator of the Cat Head Mesa Unit Area, Unit Agreement No. NMNM 106852X, Socorro County, New Mexico requests your approval of an extension of the time to commence the drilling of the No. 4 CHMU well to May 1, 2007.

Primero has proposed and surveyed several sites for the No. 4 CHMU well since June 4, 2006 that have been reviewed and relocated at the request of the Socorro BLM. We have now identified a location that is acceptable for topographic and cultural reasons and are therefore initiating an archeological survey for that location, following which, subject to archeological clearance, we will file an APTD with the Socorro BLM and, in turn, seek an available drilling rig.

2006 OCT 18 AM 11 49

Meanwhile, we are in the process of completing arrangements including Change in Unit Operator whereby Chaparral Energy, L.L.C. will, subject to your approval, take over operations of the Cat Head Mesa Unit Area including the drilling of the No. 4 CHMU well.

If you approve the proposed extension, please so indicate in the space 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 the time to commence the No. 4 CHMU well to May 1, 2007

Bureau of Land Management

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

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

New Mexico Oil Conservation Division

By: Ed Martin

Date: 10-18-06

Commissioner of Public Lands

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

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