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PATRICK H. LYONS COMMISSIONER

State of New Mexico Commissioner of Public Lands

COMMISSIONER'S OFFICE

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

JAN 29 AM 11 5:

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

January 25, 2007

Mr. James Bruce P. O. Box 1056 Santa Fe, NM 87504

Re: Final Approval Ridgeway Arizona Oil Corporation Cottonwood Canyon Carbon Dioxide Gas Unit Catron County, New Mexico

Dear Mr. Bruce:

This office is in receipt of your letter of January 24, 2007 requesting final approval of the Cottonwood Canyon Carbon Dioxide Gas Unit Agreement, Catron County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Cottonwood Canyon Carbon Dioxide Gas Unit Agreement. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

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It is our understanding that tract numbers F-47, P-04 and P-06 are not committed to the unit agreement at this time.

You must begin drilling operations on the unit prior to the expiration date of the shortest term lease. Please submit the appropriate drilling reports to this office.

Enclosed are (5) Certificates of Approval.

Your filing fee was previously received.

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

JAM BAILEY, Director Oil, Gas & Minerals Division PL/JB/pm pc: Reader File, OCD-Santa Fe, Attn: Mr. David Catanach -TRD-Attn: Mr. Valdean Severson RMD-Attn: Mr. Kurt Mcfall

BLM-Attn: Ms. Alexis Swoboda

-State Land Office Beneficiaries -

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