

Vernon D. Dyer
PO Box 1692
Roswell, NM 88202-1692
505-622-4941—Office
505-420-2419—Cell
505-627-8208—Fax

D Oil & Gas Properties

November 28, 2006

RE: Quest Resource Corporation
Well Location in Section 9
T-18S R-38E, NMPM
Lea County, New Mexico

B. A. Cox
1123 West College Lane
Hobbs, New Mexico 88240

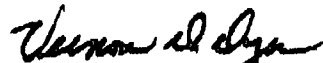
Dear Ms. Cox:

I have been trying to contact you over the last week concerning the above well location on your surface, being 990' from north line and 2310' from west line of the section lines for Section 9. I have enclosed a plat indicating the location of the well. I wish to talk to you about moving the location south into the 5 acre tract on the south end of your property. This will be less overall inconvenience for you and not interrupt the continuity of your tract.

I know the last time we talked you did not want to have a well on your land, but I have talk to the company and check the surface area and the south part of your land is the best location to cause less disruption and is the best location geologically. The State retained the rights to drill on the land when they sold the land to private sector, so I wish to try to work something our with you. As I stated on the telephone, if you do not wish to discuss this with me, I will be glad to communicate with your attorney, if you will have him call me at 505-420-2419 or give me his name to contact.

I advised you with my message on the telephone today, Quest needs to survey the location this week to be able the fulfill the agreement with the State, so if I do not here from you, Quest will contract a Survey Company to survey the location as it stands. So you can see why it is so important we make contact very soon. I look forward to hearing from you or your attorney as soon as possible.

Yours very truly,



Vernon D. Dyer CPL 3174

..... Agent for Quest Resource Corp.

*Take what you do seriously,
but take yourself lightly.*

Oil Conservation Division
Case No. 9
Exhibit No. 9

LAW OFFICES

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

C. GENE SAMBERSON
MICHAEL T. NEWELL
LEWIS C. COX, III
PATRICK B. McMAHON
MATTHEW T. TUCKER

311 NORTH FIRST STREET
POST OFFICE DRAWER 1599
LOVINGTON, NM 88260
TELEPHONE (505) 396-5303
FAX (505) 396-5305

F.L. HEIDEL
(1913-1985)

December 1, 2006

VIA FACSIMILE/MAIL

Chris Williams
NMOCD
1625 N. French Dr.
Hobbs, NM 88240

Re: **Quest Resource Corporation**
Well Location in Section 9
Township 18 South, Range 38 East, N.M.P.M.
Lea County, New Mexico

Dear Mr. Williams,

This letter is to raise an objection and to request a hearing on the proposed location of the Quest Resource Corporation well in the above-described Section 9. So far it is unclear whether an application to drill (OCD Form C-101 or a location Form C-102) have been filed. The basis for the objection is the proximity of the proposed well to homes, a school (Stone Elementary) and a retirement home. The financial assurance bonding for this location should be reviewed to make sure it is adequate under OCD Rule 19.15.3.101. At the very least this application should be reviewed so as to ensure that all appropriate precautions are taken for the safety of persons and property in the areas pursuant to OCD rule 19.15.1.102(D). As you are aware in the last several years blowouts have occurred in wells located west of Lovington and on the south side of Carlsbad. A similar occurrence at this location could be devastating.

Please set this matter for hearing before approval is given.

Sincerely,

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

By:


Michael Newell

Letter to Chris Williams

NMOCD

Re: Section 9, T-18-S, R-38-E, N.M.P.M., Lea County, New Mexico

December 1, 2006

Page two.

MTN:cd

pc: ~~Mrs. B.A. Cox~~

✓ Vernon Dyer, D Oil & Gas Properties

David Bolton, V.P., Quest Resource Corporation

LAW OFFICES**HEIDEL, SAMBERSON, NEWELL, COX & McMAHON**

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December 1, 2006

VIA FACSIMILE/MAIL

Vernon D. Dyer
D Oil & Gas Properties
P.O. Box 1692
Roswell, NM 88202-1692

**Re: Quest Resource Corporation
Well Location in Section 9
Township 18 South, Range 38 East, N.M.P.M.
Lea County, New Mexico**

Dear Mr. Dyer,

This firm represents Mrs. B.A. Cox, as well as other owners of property in the area. This is to advise you, and by copy of this letter Quest Resource Corporation, of their objections to the proposed location of the Quest well. As you are aware your client proposes to put this well in a residential community in close proximity to a school and a retirement home. Chesapeake attempted to drill here in 2003, but abandoned those efforts after numerous objections. It is hard to imagine a worse location to drill an oil and gas well. If you and Quest believe you have the right to drill in this location, please provide copies of all documents which you believe give Quest such rights. Please note Mrs. Cox does not give her permission to enter into her land.

The instructions to this firm are very clear. All efforts will be made to resist your proposed drilling location. Please explain your statements to her in your November 28, 2006 letter how this location causes "less disruption," also, how is this the best location geologically.

Should you wish to discuss this matter, please do not hesitate to call.

Sincerely,

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

By:


Michael Newell

Letter to Vernon D. Dyer

Re: *Mrs. B.A. Cox*

December 1, 2006

Page two.

MTN:cd

pc: *Mrs. B.A. Cox*

David Bolton, V.P., Quest Resource Corporation

Vernon D. Dyer
PO Box 1692
Roswell, NM 88202-1692
505-622-4941—Office
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505-627-8208—Fax

D Oil & Gas Properties

December 7, 2006

RE: West Bishop State #1
990' FNL & 2310' FWL, Section 9,
T-18S R-38E, N.M.P.M.
Lea County, New Mexico


B. A. Cox
1123 W. College Land
Hobbs, New Mexico 88240

Dear Ms. Cox:

This letter is to notify you John West Surveying will be staking the above caption well on Tuesday December 12, 2006 for Quest Resource Corporation. This work is being performed in compliance with State of New Mexico Patent # 2639, dated August 2, 1960, and Oil and Gas Lease VA-3080 from the State of New Mexico dated February 1, 2004.

If you have any questions, please feel free to contact me at 505-420-2419.

Yours very truly,


Vernon D. Dyer CPL #3174
Agent
Quest Resource Corporation

pc: Michael Newell, Heidel, Samberson, Newell, Cox & McMahon
David Bolton, V.P. Land, Quest Resource Corporation
Pete Martinez, State Land Office

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but take yourself lightly.*

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