

NOTICE

To: Red Wing Oil, LLC, Revelle C. Phillips, Ramon G. and Irene A. Sanchez, Mildred N. Pollack, Evelyn June Wall, Trustee, and Ernest and Mary E. Sanchez: U.S. Enercorp, Ltd. has filed an application with the New Mexico Oil Conservation Division seeking (i) approval of an unorthodox oil well location in the Mancos formation for its proposed Almagre Arroyo 30 Well No. 2, to be directionally drilled from a surface location 2313 feet from the south line and 2602 feet from the east line of Section 30, Township 24 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, to an approximate bottom hole location 1000 feet from the north and west lines of Section 30, and (ii) permitting the well to be produced in the West Puerto Chiquito-Mancos Pool concurrently with its existing Almagre Arroyo 30 Well No. 1, which has a surface location 2605 feet from the south line and 2400 feet from the west line, and a permitted bottom hole location 990 feet from the north and west lines, of Section 30. All of Section 30 will be simultaneously dedicated to the two wells. The application is scheduled for hearing at 8:15 a.m. on Thursday, November 29, 2007 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an offset interest owner you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. Attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, NM 87504, (505) 982-2043. The unit is located approximately 5 miles north-northwest of Gallina, New Mexico.

Oil Conservation Division  
Case No. 3  
Exhibit No. 2