

**Nearburg Exploration Company, L.L.C.**

Exploration and Production  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705  
432/686-8235  
FAX: 432/686-7806

RECEIVED

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October 2, 2008

BEPCO, L.P.  
Attn: Brad Glasscock  
201 Main Street  
Fort Worth, Texas 76102-3131

Via Facsimile 817-339-7102 and  
Certified Mail #7006 3450 0001 6910 7225

Re: Appaloosa Prospect  
Eddy County, New Mexico  
Big Eddy Unit #218 Well  
660' FNL & 660' FWL  
Section 17, T22S, R28E

Gentlemen:

Reference is made to your September 8, 2008 letter, which was received by this office by facsimile on September 9, 2009, and by Federal Express on September 9, 2008, with a copy of that certain New Mexico Oil Conservation Division Order No. R-12990 covering the Atoka and Morrow formations in the N/2 of said Section 17 captioned above and with AFE attached thereto, to drill the captioned vertical well at the above surface location to a vertical depth of 12,460', to test the Morrow formation. Please find attached hereto your subject AFE, which has been executed by Nearburg Exploration Company, L.L.C., evidencing its election to participate in the drilling of such well.

Nearburg will be participating with its 12.50% working interest in this operation subject to that certain New Mexico Oil Conservation Division Order No. R-12990 covering the Atoka and Morrow formations in the N/2 of said Section 17 captioned above.

Also attached is Nearburg's check number 0904598 dated September 30, 2008 in the amount of \$527,920.00 representing pre-payment by Nearburg for its proportionate share of estimated well costs for the drilling and completion of the captioned well. In addition, please find attached Nearburg's Well Information Requirements. Please provide Nearburg with such requested information as to this operation.

BEPCO, L.P.  
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If you have any questions, please feel free to contact me at (432) 686-8235, ext. 210.

Very truly yours,

NEARBURG EXPLORATION COMPANY, L.L.C.

A handwritten signature in black ink, appearing to read "Ken Dixon", with a large, loopy flourish above the name.

Ken Dixon  
Senior Landman

Encls.

Cc: New Mexico Oil Conservation Division  
Attn: Mr. David Brooks  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

James Bruce  
P. O. Box 1056  
Santa Fe, New Mexico 87504

Devon Energy Production Company  
Attn: Ken Gray  
20 North Broadway  
Oklahoma City, OK 73102-8260