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March 27, 2009

Attention: David Glass  
Bureau Land Management  
2909 West Second Street  
Roswell, NM 88201

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

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

Re: Request for temporary suspension of the Cat Head Mesa Unit Agreement drilling obligation

Gentlemen:

After inordinate delay, we have finally obtained an executed confirmation of the termination and withdrawal of Chaparral CO2, LLC from our Cat Head Unit. While acting as Operator, Chaparral damaged our existing carbon dioxide-helium wells beyond repair and discontinued our on-going near-finalization of a helium contract with the BLM at Amarillo.

Therefore, as a result of these matters beyond our control, the Working Interest Owners respectfully request your approval (as provided for in Section 25 of the Cat Head Mesa Unit Agreement) of a temporary suspension of the drilling obligation of the Agreement for up to one year to allow time for the Owners to (1) establish the replacement Operator, (2) consummate the helium contract with the BLM at Amarillo and then (3) organize and submit a Plan of Further Development and Operation that would include the drilling of replacement well/wells for our damaged No. 2 and/or No. 3 carbon dioxide-helium wells as well as the construction of an on-site or near-site carbon dioxide-helium processing plant.

Very truly yours,

Cat Head Mesa Unit Working Interest Owners

By: Ben Donegan  
Ben Donegan

BD/nn