

CHM, LLC  
3224 CANDELARIA NE  
ALBUQUERQUE, NEW MEXICO 87107

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Phone 505 884-2780  
Fax 505 888-2621

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April 16, 2010

Attention: Angel Mayes  
Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88021

Attention: Jamie Bailey  
Oil, Gas and Minerals Division  
Commissioner of Public Lands  
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: 2010/2011 Plan of Development and Operation  
Cat Head Mesa Unit Area  
Socorro County, New Mexico

Ladies and Gentlemen:

CHM, LLC as the Operator of the Cat Head Mesa Unit Agreement No. NMNM 106852X, Socorro County, New Mexico, requests your approval of the following proposed 2010/2011 Plan of Development and Operation of the Cat Head Mesa Unit Area.

In accordance with the provisions of the Unit Agreement, a well is planned to be drilled before November 3, 2010 to test the Atoka formation, production in paying quantities, Precambrian or 4300 feet, whichever is shallower, at a location that is a minimum of two miles from the previous two unit test miles and a second well is planned to be commenced not less than six months after the completion of the first well described above at a location and to a depth in accordance with the provisions of the Unit Agreement.

If you approve, please so indicate in the space provided below and return a copy of this letter to us.

2010/2011 Plan of Development and Operation  
Cat Head Mesa Unit Area  
Socorro County, New Mexico  
April 16, 2010  
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Very truly yours,

CHM, LLC

By: Ben Donegan  
Ben Donegan

We approve the proposed 2010/2011 Plan of Development and Operations of the Cat Head Mesa Unit Area described above:

\_\_\_\_\_  
Bureau of Land Management

\_\_\_\_\_  
Date

\_\_\_\_\_  
New Mexico Commissioner of Public Lands

\_\_\_\_\_  
Date

Ed Martin

\_\_\_\_\_  
New Mexico Oil Conservation Division

5/2/10

\_\_\_\_\_  
Date