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May 2, 2011

Jami Bailey, Director  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Order No. R-13262, as amended  
Chi Operating, Inc./Benson Delaware Unit

Dear Ms. Bailey:

The Division approved the above unit by Order No. R-13262, as amended. The order provides, in Ordering Paragraph (4), that the unit operator shall submit evidence to the Division that the requisite percentages of working and royalty interest owners have voluntarily ratified the unit, *and that the Division shall make a finding in a supplemental order that the unit has been approved.* The time in which to obtain necessary ratifications of the Unit Agreement was extended to May 6, 2011 by the Division by the letter attached hereto as Exhibit A. In compliance therewith, attached are the following:

1. The certification of the Bureau of Land Management approving the Unit Agreement is attached hereto as Exhibit B. (The federal government is the sole royalty owner.)
2. The Unit Agreement was ratified by the sole record title owner of the oil and gas leases within the unit area by the ratification attached hereto as Exhibit C.
3. All overriding royalty owners within the unit area ratified the Unit Agreement by the ratifications attached hereto as Exhibit D.
4. All working interest owners within the unit area ratified the Unit Agreement by the ratifications attached hereto as Exhibit E.

6. All working interest owners within the unit area ratified the Unit Operating Agreement by the ratifications attached hereto as Exhibit F.

As a result, the necessary ratifications and approvals have been obtained, and the unit operator requests that the Division issue a supplemental order.

Finally, enclosed is a revised Exhibit B to the Unit Agreement.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Chi Operating, Inc.