



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88202

RECEIVED

SEP 11 2003

OIL CONSERVATION
DIVISION

IN REPLY REFER TO:
NMNM106852X

September 9, 2003

Mr. Ben Danegan
3224 Candelaria NE
Albuquerque, NM 87107

Re: 2003 Plan of Development and Operations
Cat Head Mesa Unit
Socorro County, New Mexico

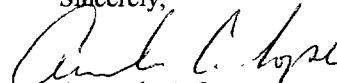
Dear Mr. Donegan:

Your 2003 Plan of Development for the referenced unit is hereby approved. The plan calls for continued testion of the Cathead Mesa Well No. 1 and the re-entry of the Dulce Well No.1.

The Commissioner of Public Lands and the Oil Conservation Division have also approved the 2003 Plan of Development and Operations.

If you have any questions please call me at (505) 627-0248.

Sincerely,


Armando A. Lopez
Petroleum Engineer

cc:
Commissioner of Public Lands (Attn: Pete Martinez)
NMOCD (Attn: Roy Johnson) ✓
Unit File.

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS
Phone (505) 827-1245
Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES
Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES
Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

December 13, 2002

Mr. Ben Donegan
3224 Candelaria NE
Albuquerque, New Mexico 83107

Re: Commercial Well Determination
Cat Head Mesa Unit Well No. 1
NE/4SW/4 Sec. 8-4S-9E
Socorro County, New Mexico

Dear Mr. Donegan:

We are in receipt of your letter of November 11, 2002, wherein on behalf of Primero Operating, Inc., you have submitted data that supports your commercial determination regarding the following Cat Head Mesa Unit Well:

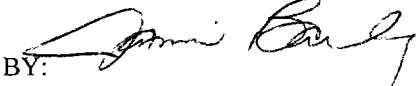
Well Name and Number	Location	Completion Date	Formation	Determination
Cat Head Mesa Unit #1	NE/4SW/4 Sec. 8-4S-9E	5/8/02	Abo/Atoka	Commercial

Please be advised that, according to the data submitted, the Commissioner of Public Lands concurs with your determination that the Cat Head Mesa Unit Well No. 1 is a commercial well in the Abo and Atoka formations. This action is subject to like concurrence by the Bureau of Land Management and the New Mexico Oil Conservation Division.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/JB/pm

pc: Reader File,
BLM Roswell-Attn.: Mr. Armando Lopez
OCD-Attn.: Mr. Roy Johnson
TRD-Attn.: Mr. Valdean Severson
RMD-Attn.: Mr. Kurt McFall

"NEW YORK FOR EDUCATION"
310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

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JUL 24 2003

**OIL CONSERVATION
DIVISION**

July 21, 2003

Mr. Ben Donegan
3224 Candelaria NE
Albuquerque, New Mexico 87107

Re: 2003 Plan of Development
Cat Head Unit
Socorro County, New Mexico

Dear Mr. Donegan:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/cpm
xc: Reader File

OCD

BLM



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88202

RECEIVED

JUL 16 2003

**OIL CONSERVATION
DIVISION**

IN REPLY REFER TO:
NMNM106852X

July 11, 2003

Mr. Ben Donegan
3224 Candelaria NE
Albuquerque, NM 87107

Re: Commercial Well Determination
Cat Head Mesa Unit Well No. 1
Socorro County, New Mexico

Dear Mr. Donegan:

By letter dated November 11, 2002 you requested that we designate the subject well as commercial for the Cat Mesa Unit. The New Mexico Oil Conservation Division and the New Mexico Commissioner of Public Lands have determined that the Cat Head Mesa Unit Well No. 1 located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 8, T4S, R9E, is commercial and capable of producing in paying quantities.

We have reviewed the supporting data and we concur with your determination of commerciality. This concurrence is limited to carbon dioxide.

If you have any question please call Armando Lopez at 505-627-0248,

Sincerely,

(ARMANDO A. LOPEZ, SCD.) ARMANDO A. LOPEZ

Armando A. Lopez
Acting Assistant Field Manager
Lands and Minerals Division

cc:
Commissioner of Public Lands (Attn: Mr. Pete Martinez)
NMOCD (Attn: Mr. Roy Johnson)

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

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Phone (505) 827-5772

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SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

December 17, 2002

Primero Operating, Inc.
3224 Candelaria N.E.
Albuquerque, New Mexico 87107

Attn: Mr. Ben Donegan

Re: Cat Head Mesa Unit
Subsequent Joinder
Revised Exhibit B
Schedule of Ownership
Socorro County, New Mexico

Dear Mr. Donegan:

We are in receipt of your letter of November 11, 2002, together with ratifications from Mr. Carl L. Johnson and revised Exhibit "B" Schedule of Ownership for the Cat Head Mesa Unit.

The ratifications and revised exhibits are accepted for record and have been filed as a part of the unit agreement.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


PETE MARTINEZ

Oil/Gas and Minerals Division
(505) 827-5791

RP/PM/cpm

xc: Reader File

BLM

OCD

TRD

BEN DONEGAN
3224 CANDELARIA NE
ALBUQUERQUE, NEW MEXICO 87107

505 884-2780
FAX 505 888-2621

February 21, 2002

Authorized Officer
Bureau of Land Management
2909 West Second Street
Roswell, NM 88021


Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Re: Approval of the Cat Head Mesa Unit Agreement
by the New Mexico State Land Office

Ladies and Gentlemen:

The New Mexico State Land Office granted approval of the Cat Head Mesa Unit Agreement No. NMNM106852X, Socorro County, New Mexico on February 19, 2002. Enclosed is the Certificate of Approval by the Commissioner of Public Lands.

Primero Operating, Inc.

By: 
Ben Donegan, Agent

02 FEB 25 PM 1:12
02 FEB 25 PM 1:12

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO


PRIMERO OPERATING, INC.
CAT HEAD MESA UNIT
SOCORRO COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Unit Agreement for the development and operation of acreage which is described within the referenced Agreement, dated NOVEMBER 1, 2001, which said Agreement has been executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the said Agreement, however, such consent and approval being limited and restricted to such lands within the Unit Area, which are effectively committed to the Unit Agreement as of this date, and further, that leases insofar as the lands covered thereby committed to this Unit Agreement shall be and the same are hereby amended to conform with the terms of such Unit Agreement, and said leases shall remain in full force and effect in accordance with the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 19TH day of FEBRUARY, 2002.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

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ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

February 19, 2002

Ben Donegan
3224 Candelaria NE
Albuquerque, NM 87107

Re: Final Approval
Cat Head Mesa Unit Agreement
Socorro County, New Mexico

Dear Mr. Donegan:

This office is in receipt of your letter of December 12, 2001 requesting final approval of the Cat Head Mesa Unit Agreement, Socorro County, New Mexico. We are also in receipt of Primero Operating, Inc.'s surface improvement damage bond.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Cat Head Mesa Unit Agreement, Socorro County, New Mexico. The effective date of your agreement is January 9, 2002.

Enclosed are (5) Certificates of Approval.

Your filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in cursive script, appearing to read "Jami Bailey".

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/JB/pm

pc: Reader File,
BLM-Roswell, Attn: Mr. Armando Lopez
OCD-Santa Fe, Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Ms. Linda Vieira

310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148

COMMISSIONER'S OFFICE

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Phone (505) 827-5700

Fax (505) 827-5853

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Fax (505) 827-4262

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Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

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Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

January 7, 2002

Mr. Ben Donegan
3224 Candelaria NE
Albuquerque, New Mexico 87107

Re: Proposed Cat Head Mesa Unit
Additional Ratification and Joinders
Socorro County, New Mexico

Dear Mr. Donegan:

This office has received your letter of January 4, 2002. Your letter included the royalty interest owners ratifications and joinders to the Cat Head Mesa Unit Agreement executed by the following: Knollene Lovelace McDaniel, Roe Lovelace, Trustee of the Frances A. Lovelace Trust, Roe Lovelace, Noel Holt Lovelace, Dru Wynn Lovelace King, Joan Collinson Deming, Jean Collinson Suggs and overriding royalty interest owners Frances E. Gunn and Robert D. Gunn.

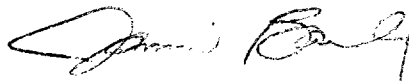
The above-mentioned ratifications are hereby accepted and have been filed in our records.

Please be advised that as per our letter of November 9, 2001, final approval to the Cat Head Mesa Unit is still pending until we receive the required \$20,000 Surface Improvement Damage Bond from Primero Operating, Inc.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

cc: OCD-Santa Fe, Attention: Mr. Roy Johnson
BLM-Roswell, Attention: Mr. Armando Lopez

310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148

BEN DONEGAN
3224 CANDELARIA NE
ALBUQUERQUE, NEW MEXICO 87107

505 884-2780
FAX 505 888-2621

January 4, 2002

Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Additional Ratification and Joinders of the Cat Head Mesa Unit
Agreement, Order No. R-11698, Socorro County, New Mexico

Dear Sir:

Enclosed are original and one copy each of the Ratification and Joinder of the Cat Head Mesa Unit Agreement executed by royalty interest owners Knollene Lovelace McDaniel, Roe Lovelace, Trustee of the Frances A. Lovelace Trust, Roe Lovelace, Noel Holt Lovelace, Dru Wynn Lovelace King, Joan Collinson Deming and Jean Collinson Suggs and overriding royalty interest owners Frances E. Gunn and Robert D. Gunn.

Copies of the above described documents are also being submitted to the Bureau of Land Management and the New Mexico State Land Office.

These additional commitments of interests to the Cat Head Mesa Unit Agreement when combined with the previously committed interests and the state and federal royalty interests comprise 99.636164 per cent of the total oil and gas interests in the Unit Area.

Very truly yours,

Primero Operating, Inc.

By: Ben Donegan
Ben Donegan, Agent

BD/nn
encl.

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 18 day of Dec, 2001.

By Knellene McDaniel
Address: Box 708
Canizozo, N.M.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF New Mexico,
COUNTY OF Lincoln) ss.

1 Set of
originals

This instrument was acknowledged before me on Dec 18, 2001
by Knellene McDaniel

My Commission Expires:

11/09/05

Daniel Zamora
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 2nd day of January, 2002.

By Lee Lovelace

Address: 304 E. Madison
Fairfield, IA 52536

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Iowa)

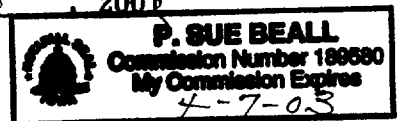
COUNTY OF Jefferson) ss.

This instrument was acknowledged before me on Jan 2, 2002

by Lee Lovelace.

My Commission Expires:

4-7-03



P. Sue Beall
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)

COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 11 day of December 2001.

By

Address:

Rae Lovelace
307 W. Madison
Fairfield, IA 52556

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IOWA)

COUNTY OF JEFFERSON) ss.

This instrument was acknowledged before me on December 11, 2001

by Christy Wiley.

My Commission Expires:



Christy Wiley
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)

COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 23 day of NOVEMBER, 2001.

By Wootela

Address: 194 CENTRAL ROAD

HORATIO, AR. 71842

INDIVIDUAL ACKNOWLEDGMENT

STATE OF ARKANSAS)
COUNTY OF SEVIER) ss.

This instrument was acknowledged before me on NOVEMBER 23,, 2001

by NOEL LOVELACE.

My Commission Expires:

2-6-2010

CHARLES R. CONATON
NOTARY PUBLIC
SEVIER COUNTY
ARIZONA
Exp. 2-6-2010
Charles R. Conaton
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 31st day of December, 2001.

By

Address:

Wynn King
P.O. Box 824
Alto NM 88312

INDIVIDUAL ACKNOWLEDGMENT

STATE OF New Mexico)
COUNTY OF Lincoln) ss.

This instrument was acknowledged before me on 12/31, 2001

by Wynn King.

My Commission Expires:

2/23/05

Reynolds
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

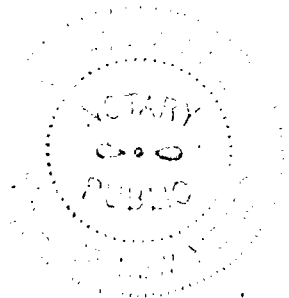
In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 19th day of December, 2001.

By Jean C. Deming
Address: _____



INDIVIDUAL ACKNOWLEDGMENT

STATE OF New Mexico)
COUNTY OF Lincoln) ss.

This instrument was acknowledged before me on December 19, 2001

by Jean C. Deming.

My Commission Expires:

10-13-03

V. Kate Munner
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this ____ day of _____, 2001.

By - Jean Suggs
Address: 326 E. Greenhurst
Nampa, Idaho 83686

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Idaho)

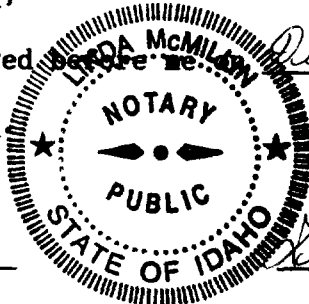
COUNTY OF Canyon) ss.

This instrument was acknowledged before me on Dec 19, 2001

by Jean Suggs

My Commission Expires:

5-19-2007



Linda McMillan
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)

COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 28th day of December, 2001.

By Frances E. Gunn,
William P. Gunn,
Attorney-in-fact
Address: P.O. Box 97508
Phoenix, AZ 85066

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF COLORADO)
COUNTY OF LARIMER) ss.

This instrument was acknowledged before me on December 28, 2001 by
William P. Gunn, as Attorney in fact for Frances E. Gunn.

My commissions Expires:

10-9-2005

Cindy M. Sledge
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 26th day of November, 2001.

By 

Address: P.O. Box 97508
Wichita Falls, TX 76307

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Texas)
COUNTY OF Wichita) ss.

This instrument was acknowledged before me on November 26, 2001
by Robert D. Gunn.

My Commission Expires:
JOAN LYNCH
Notary Public
State of Texas



My Comm. Expires 12-12-02


Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 18 day of Dec, 2001.

By Knollene McDaniel

Address: Box 708

Carizozo, N.M.
88301

INDIVIDUAL ACKNOWLEDGMENT

STATE OF NEW MEXICO)
COUNTY OF LINCOLN) SS.

1 Set of
Copies

This instrument was acknowledged before me on Dec 18, 2001
by Knollene McDaniel

My Commission Expires:

11/9/05

Quirica Zamora
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) SS.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 2nd day of January, 2002.

By Rae Lovelace

Address: 304 S Madison
Fairfield, IA 52856

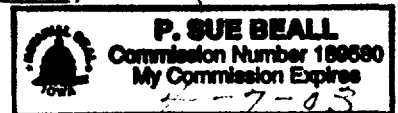
INDIVIDUAL ACKNOWLEDGMENT

STATE OF Iowa)
COUNTY OF Jefferson) ss.

This instrument was acknowledged before me on Jan 2, 2002
by Rae Lovelace.

My Commission Expires:

4-7-03



P. Sue Beall
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 11 day of December 2001.

By Rae Sanchez
Address: 307 W. Madison
Fairfield, IA 52556

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IOWA)
COUNTY OF JEFFERSON) ss.

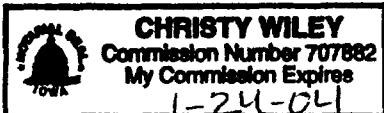
This instrument was acknowledged before me on December 11, 2001

by Christy Wiley.

My Commission Expires:

1-24-04

Christy Wiley
Notary Public



CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 23 day of NOVEMBER, 2001.

By

Address: 194 CENTRAL ROAD
HORATIO, AR. 71842

INDIVIDUAL ACKNOWLEDGMENT

STATE OF ARKANSAS)

ss.

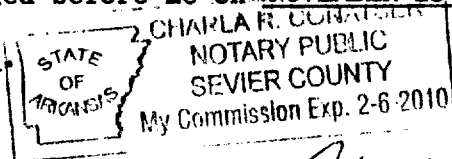
COUNTY OF SEVIER)

This instrument was acknowledged before me on NOVEMBER 23, 2001

by NOEL LOVELACE

My Commission Expires:

2-6-2010



Charles F. Conatser
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)

ss.

COUNTY OF _____)

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 31st day of December, 2001.

By Wynne K.

Address: P.O. Box 829

Alto, NM 88312

INDIVIDUAL ACKNOWLEDGMENT

STATE OF New Mexico)
COUNTY OF Lincoln) ss.

This instrument was acknowledged before me on 12/31, 2001

by Wynne King.

My Commission Expires:

2/23/05

Leona Lopez
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

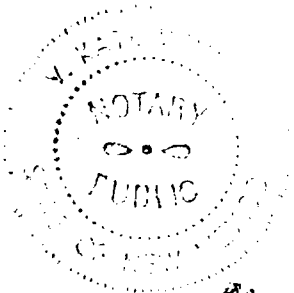
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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 19th day of December, 2001.

By Joan C. Deming
Address: _____



INDIVIDUAL ACKNOWLEDGMENT

STATE OF New Mexico)
COUNTY OF Lincoln)

ss.

This instrument was acknowledged before me on December 19, 2001

by Joan C. Deming.

My Commission Expires:

10-13-03

V. Kate Winner
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____)

ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this ____ day of _____, 2001.

By Jean Suggs
Address: 326 E. Greenhurst
Nampa, Idaho 83686

INDIVIDUAL ACKNOWLEDGMENT

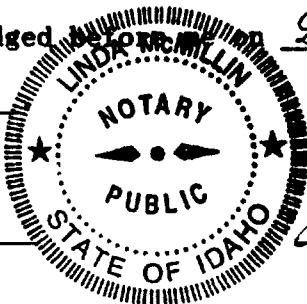
STATE OF Idaho)
COUNTY OF Canyon) ss.

This instrument was acknowledged before me on Dec. 19, 2001

by Jean Suggs

My Commission Expires:

5-19-2007



Linda McMullin
Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 28th day of December, 2001.

By Frances E. Gunn
William C. Gunn, Attorney-in-Fact
Address: P.O. Box 97508

Wichita Falls, TX 76302

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF COLORADO)

ss.

COUNTY OF LARIMER)

This instrument was acknowledged before me on December 28, 2001 by

William C. Gunn, as attorney in fact for Frances E. Gunn.

My commissions Expires:

10-9-2005

Cindy M. Hagdon
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Cat Head Mesa Unit Area, County of Socorro, State of New Mexico, dated November 1, 2001, in form approved on behalf of the Secretary of the Interior, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts, and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement, shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors.

EXECUTED this 26th day of November, 2001.

By 

Address: P.O. Box 97508
Wichita Falls, Tx 76307

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Texas)
COUNTY OF Wichita) ss.

This instrument was acknowledged before me on November 26, 2001
by Robert D. Gunn.

My Commission Expires:



JOAN LYNCH
Notary Public
State of Texas

My Comm. Expires 12-31-02


Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

This instrument was acknowledged before me on _____, 2001

by _____ as _____ of _____.

My Commission Expires:

Notary Public

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245
Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793
Fax (505) 827-5711

December 26, 2001

Mr. Ben Donegan
3224 Candelaria NE
Albuquerque, New Mexico 87107

Re: Proposed Cat Head Mesa Unit
Socorro County, New Mexico

Dear Mr. Donegan:

This office has received your letter of December 12, 2001 wherein, on behalf of Primero Operating Inc., you have requested final approval to the proposed Cat Head Mesa Unit area, Socorro County, New Mexico.

Please be advised that as per our letter of November 9, 2001, final approval to the Cat Head Mesa Unit is still pending until we receive the required \$20,000 Surface improvement Damage Bond from Primero Operating, Inc.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: *Anthony H. Neal*
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

cc: ~~OCDS~~ Santa Fe, Attention: Mr. Roy Johnson
BLM-Roswell, Attention: Mr. Armando Lopez

BEN DONEGAN
3224 CANDELARIA NE
ALBUQUERQUE, NEW MEXICO 87107

505 884-2780
FAX 505 888-2621

January 22, 2002

Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Attention: Jami Bailey, Director
Oil, Gas and Mineral Division
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

Owners of the Working Interest of the Oil and Gas Leases
in the Cat Head Mesa Unit Area

Re: Bureau of Land Management approval of the Cat Head Mesa
Unit Agreement, No. NMNM 106852X

Ladies and Gentlemen:

Enclosed is a copy of the Bureau of Land Management Certification -
Determination and approval of the Cat Head Mesa Unit Agreement, Socorro County,
New Mexico, Contract No. NMNM106852X effective January 9, 2002.

Very Truly Yours,

Primero Operating, Inc.



Ben Donegan, Agent

BD/nn

copy: Authorized Officer
Bureau of Land Management
2909 West Second Street
Roswell, NM 88201



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL FIELD OFFICE
2909 West Second Street
Roswell, New Mexico 88201-2019

IN REPLY REFER
NMNM106852X
3180 (06300)

JAN 09 2002

Ben Donegan
3224 Candelaria NE
Albuquerque, NM 87107

Gentlemen:

One approved copy of the Cat Head Mesa Unit Agreement, No. NMNM106852X, Socorro County, New Mexico, filed on behalf of Primero Operating, Inc., is enclosed. Such agreement is effective as of the date of approval.

Pursuant to 43 CFR 3183.4(b) and Section 9 of the unit agreement, if the Public Interest Requirement is not fulfilled, the unit will be declared invalid and no lease committed to this agreement shall receive the benefits of 43 CFR 3107.3-2 and 3107.4.

Approval of the agreement does not warrant or certify that the operator thereof and other working interest owners hold legal or equitable title to the leases which are committed hereto.

You are requested to furnish all interested principals with appropriate evidence of this approval.

Sincerely,

ru Larry D. Bray
Assistant Field Manager,
Lands and Minerals

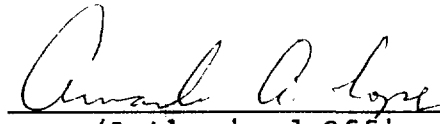
Enclosure

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. sec 181, et seq., and delegated to the Authorized Officer of the Bureau of Land Management, under the authority of 43 CFR 3183, I do hereby:

- A. Approve the attached agreement for the development and operation of the Cat Head Mesa Unit Area, State of New Mexico. This approval shall be invalid *ab initio* if the public interest requirement under §3183.4(b) of this title is not met.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: January 9, 2002


(Authorized Officer)
Bureau of Land Management

Contract No.: NMNM106852X



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL FIELD OFFICE
2909 West Second Street
Roswell, New Mexico 88201-2019

IN REPLY REFER
NMNM106852X
3180 (06300)

JAN 09 2002

Ben Donegan
3224 Candelaria NE
Albuquerque, NM 87107

Gentlemen:

One approved copy of the Cat Head Mesa Unit Agreement, No. NMNM106852X, Socorro County, New Mexico, filed on behalf of Primero Operating, Inc., is enclosed. Such agreement is effective as of the date of approval.

Pursuant to 43 CFR 3183.4(b) and Section 9 of the unit agreement, if the Public Interest Requirement is not fulfilled, the unit will be declared invalid and no lease committed to this agreement shall receive the benefits of 43 CFR 3107.3-2 and 3107.4.

Approval of the agreement does not warrant or certify that the operator thereof and other working interest owners hold legal or equitable title to the leases which are committed hereto.

You are requested to furnish all interested principals with appropriate evidence of this approval.

Sincerely,

(ORIG. SGD.) ARMANDO A. LOPEZ

Larry D. Bray
Assistant Field Manager,
Lands and Minerals

01 JAN 11 PM 1:05
OL CFI SECTION DM

Enclosure

CC:
MMS, Denver (3133)
Commissioner of Public Land, Santa Fe
NMOCD, Santa Fe

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. sec 181, et seq., and delegated to the Authorized Officer of the Bureau of Land Management, under the authority of 43 CFR 3183, I do hereby:

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- B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: January 9, 2002

(~~ORIG.~~ SGD.) ARMANDO A. LOPEZ

(Authorized Officer)
Bureau of Land Management

Contract No.: NMNM106352X

UNIT NAME: CAT HEAD MESA UNIT
OPERATOR: PRIMERO OPERATING, INC.
COUNTY: SOCORRO

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	PATENTED	SEGREGATION CLAUSE	TERM
EFFECTIVE 1/09/2002	CASE NO. 12766 ORDER NO. R-11698	37,339.04	6,532.38	26,499.79	4,306.87	MODIFIED	SO LONG AS
APPROVALS							
SLO--02-19-02							
OCD--11-28-01							
BLM--01-09-2002							
<u>TOWNSHIP 03 SOUTH, RANGE 08 EAST</u>							
SECTION 35:	S/2						
SECTION 36:	S/2						
<u>TOWNSHIP 03 SOUTH, RANGE 09 EAST</u>							
SECTION 31:	Lots 1-4, E/2, E/2W/2						
SECTION 32:	S/2						
SECTION 33:	S/2						
<u>TOWNSHIP 04 SOUTH, RANGE 08 EAST</u>							
SECTION 1:	Lots 1-4, S/2, S/2N/2						
SECTION 2:	Lots 1-4, S/2, S/2N/2						
SECTION 3:	Lots 1-4, S/2, S/2N/2						
SECTION 4:	Lots 1-4, S/2, S/2N/2						
SECTION 5:	Lots 1-4, S/2, S/2N/2						
SECTION 6:	Lots 1-7, S/2NE/4, SE/4NW/4, SE/4, E/2SW/4						
SECTION 7:	Lots 1-4, E/2, E/2W/2						
SECTION 8:	ALL						
SECTION 9:	ALL						
SECTION 10:	ALL						
SECTION 11:	ALL						
SECTION 12:	W/2						
SECTION 13:	ALL						
SECTION 14:	All						
SECTION 15:	ALL						
SECTION 16:	ALL						
SECTION 17:	ALL						
SECTION 18:	Lots 1-4, E/2, E2W2						

TOWNSHIP 04 SOUTH, RANGE 09 EAST

SECTION 19: Lots 1-4, E/2, E/2W/2

SECTION 20: ALL

SECTION 21: ALL

SECTION 22: ALL

SECTION 23: ALL

SECTION 24: ALL

SECTION 25: ALL

SECTION 26: ALL

SECTION 27: ALL

SECTION 28: ALL

SECTION 29: ALL

SECTION 30: Lots 1-4, E/2, E/2W/2

SECTION 31: Lots 1-4, E2, E2W2

SECTION 32: ALL

SECTION 33: ALL

SECTION 34: ALL

SECTION 35: ALL

SECTION 36: ALL

TOWNSHIP 05 SOUTH, RANGE 8 EAST

SECTION 1: Lots 1-2, SE4, S2NE4

TOWNSHIP 05S, RANGE 9 EAST

SECTION 3: Lots 1-4, S/2N2, S/2

SECTION 4: Lots 1-4, S/2N/2, S/2

SECTION 5: Lots 1-4, S/2, S/2N/2

SECTION 6: Lots 1-7, SE/4NW/4, E/2SW/4, S/2NE/4, SE/4

SECTION 7: Lots 1-4, E/2, E/2W/2

SECTION 11: N/2

EXHIBIT B

SCHEDULE OF OWNERSHIP
CAT HEAD MESA UNIT AGREEMENT
Socorro County, New Mexico

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
<u>FEDERAL LANDS</u>							
1	<u>T. 4 S., R. 8 E.</u> Sec. 3: Lots 1-4, S2, S2N2 (All) Sec. 10: All Sec. 11: All Sec. 14: S2N2, S2	2,400.76	NM 91532 8-31-03	12.5%	*	**5.0%	***
<i>12-3-01 Fahizella Exploration Company II</i>							
2	<u>T. 4 S., R. 8 E.</u> Sec. 12: All Sec. 13: All Sec. 23: E2 Sec. 24: All	2,240.00	NM 91533 8-31-03	12.5%	*	**5.0%	***
3	<u>T. 4 S., R. 9 E.</u> Sec. 4: Lots 1-4, S2, S2N2 (All) Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 8: N2, W2SW, S2SE Sec. 9: All	2,406.76	NM 91534 8-31-03	12.5%	*	**5.0%	***
4	<u>T. 4 S., R. 9 E.</u> Sec. 6: Lots 1-7, S2NE, SENW, SE, E2SW (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 17: E2, W2W2 Sec. 18: Lots 1-4, E2, E2W2 (All)	2,388.27	NM 91535 8-31-03	12.5%	*	**5.0%	***
5	<u>T. 4 S., R. 9 E.</u> Sec. 10: All Sec. 13: W2, W2SE Sec. 14: All Sec. 15: All	2,320.00	NM 91536 8-31-03	12.5%	*	**5.0%	***

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>	<u>Lease No. and Expiration Date</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalty</u>	<u>Working Interest</u>
6	<u>T. 4 S., R. 9 E.</u> Sec. 19: Lots 1-4, E2, E2W2, (All) Sec. 20: N2NE, W2NW, S2 Sec. 21: All Sec. 22: All	2,395.88	NM 91537 8-31-03	12.5%	*	**5.0%	***
7	<u>T. 4 S., R. 9 E.</u> Sec. 23: All Sec. 24: W2E2, W2, SESE Sec. 25: All Sec. 26: All	2,440.00	NM 91538 8-31-03	12.5%	*	**5.0%	***
8	<u>T. 4 S., R. 9 E.</u> Sec. 27: All Sec. 33: All Sec. 34: N2, N2S2, S2SW Sec. 35: All	2,480.00	NM 91539 8-31-03	12.5%	*	**5.0%	***
9	<u>T. 4 S., R. 9 E.</u> Sec. 28: All Sec. 29: All Sec. 30: Lots 1-4, E2, E2W2 (All) Sec. 31: Lots 1-4, E2, E2W2 (All)	2,551.84	NM 91540 8-31-03	12.5%	*	**5.0%	***
10	<u>T. 3 S., R. 9 E.</u> Sec. 31: Lots 1-4, E2, E2W2 (All) <u>T. 4 S., R. 9 E.</u> Sec. 3: Lots 1-4, S2N2, N2S2 Sec. 11: All	1,756.28	NM 91587 9-30-03	12.5%	*	**5.0%	***
11	<u>T. 3 S., R. 8 E.</u> Sec. 35: S2	320.00	NM 93025 3-31-04	12.5%	*	**5.0%	***
12	<u>T. 3 S., T. 9 E.</u> Sec. 33: S2	320.00	NM 93026 4-30-04	12.5%	*	**5.0%	***
13	<u>T. 4 S., R. 8 E.</u> Sec. 15: S2NE, SE	240.00	NM 93028 4-30-04	12.5%	*	**5.0%	***

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
14	T. 4 S., R. 9 E. Sec. 12: W2	320.00	NM 93029 3-31-04	12.5%	*	**5.0%	***
15	T. 5 S., R. 9 E. Sec. 3: S2, S2NW Sec. 4: SE, S2NE Sec. 9: E2 Sec. 10: All Sec. 11: N2	1,920.00	NM 97648 9-30-05	12.5%	*	**5.0%	***
STATE LANDS							
16	T. 3 S., R. 8 E. Sec. 36: S2	320.00	LH 4434 6-1-03	12.5%	*	**5.0%	***
17	T. 3 S., R. 9 E. Sec. 32: S2	320.00	LH 4437 6-1-03	12.5%	*	**5.0%	***
18	T. 4 S., R. 8 E. Sec. 1: Lots 1-4, S2, S2N2 (All)	640.24	LH 4439 6-1-03	12.5%	*	**5.0%	***
19	T. 4 S., R. 8 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	640.52	LH 4440 6-1-03	12.5%	*	**5.0%	***
20	T. 4 S., R. 8 E. Sec. 25: All	640.00	LH 4442 6-1-03	12.5%	*	**5.0%	***
21	T. 4 S., R. 8 E. Sec. 36: E2	320.00	LH 4446 6-1-03	12.5%	*	**5.0%	***
22	T. 4 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	640.60	LH 4447 6-1-03	12.5%	*	**5.0%	***
23	T. 4 S., R. 9 E. Sec. 16: All	640.00	LH 4448 6-1-03	12.5%	*	**5.0%	***
24	T. 4 S., R. 9 E. Sec. 17: E2W2	160.00	LH 4449 6-1-03	12.5%	*	**5.0%	***

12/3/8001
FRIZZELL EXPLORATION COMPANY II

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
25	T. 4 S., R. 9 E. Sec. 32: All	640.00	LH 4450 - / 6-1-03	12.5%	* Friedgen Exploration Company II	**5.0%	***
26	T. 4 S., R. 9 E. Sec. 34: S2SE	80.00	LH 4451 - / 6-1-03	12.5%	*	**5.0%	***
27	T. 4 S., R. 9 E. Sec. 36: All	640.00	LH 4452 - / 6-1-03	12.5%	*	**5.0%	***
28	T. 5 S., R. 8 E. Sec. 1: Lots 1,2, SE, S2NE	283.42	LH 4453 - / 6-1-03	12.5%	*	**5.0%	***
29	T. 5 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	567.60	LH 4460 - / 6-1-03	12.5%	*	**5.0%	***
PATENTED LANDS							
30	T. 4 S., R. 8 E. Sec. 14: N2N2 Sec. 15: N2NE T. 5 S., R. 9 E. Sec. 3: Lots 1-4, S2NE Sec. 4: Lots 1-4, S2NW, SW Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 6: Lots 1-7, SENW, E2SW, S2NE, SE (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 8: All Sec. 9: W2	3,466.87	Harvey Mineral Trust 10-16-05	12.5%	*	**5.0%	***
31	T. 4 S., R. 9 E. Sec. 3: S2S2 Sec. 8: N2SE, E2SW Sec. 13: E2E2, W2NE Sec. 20: S2NE, E2NW Sec. 24: E2NE, NESE	840.00	11-20-05	****12.5%	*	**5.0%	***

* The Lessee of Record of all 31 Tracts in the unit area is Frizzell Exploration Company II

** Ownership of the 5.0% overriding royalty interest of all 31 Tracts in the unit area is as follows:

11-29-01	Bowerman Energy Company	0.065965	11-23-01	JHJ Exploration, Ltd.	0.671306
	Bright & Company	0.060908	11-14-01	JMA Exploration, Ltd.	0.070963
11-21-01	Ben and Ruby Donegan	0.750000	11-28-01	MJR Investment Corporation	0.064851
11-20-01	E. S. Mayer & Sons, Ltd.	0.070963	11-14-01	Stephen D. & Nancy J. Nolan	0.250000
12-13-01	Frizzell Exploration Company II	0.895076	11-28-01	Saxon Oil Company	0.047314
12-22-80	Robert D. and Frances E. Gunn	0.671306	11-29-01	The Rudman Partnership	0.156120
	Nelson Bunker Hunt	0.250000	11-14-01	Tejon Exploration Company	0.070963
12-31-01	Integras Resources, Inc.	0.250000	11-26-01	Tucker-Scully Interests, Ltd.	0.223769
11-27-01	Jacobs Exploration, Ltd.	0.171510	11-14-01	Warren, Inc.	0.258986

***Ownership of the 100.0% working interest of all 31 Tracts in the unit area is as follows:

11-14-01	Benson-Montin-Greer Drilling Corporation	4.773797
11-14-01	Ceja Corporation	12.787849
11-26-01	Bill Fenn	5.187037
11-14-01	JMA Oil Properties, Ltd.	2.515268
11-20-01	McCabe Petroleum Corporation	55.773827
11-28-01	MJR Investment Corporation	10.000000
11-24-01	The Rudman Partnership	1.517848
11-14-01	Slash Four Enterprises, Inc.	1.577437
11-14-01	Tejon Exploration Company	3.566937
11-14-01	Warren, Inc.	2.300000

****The per cent ownership of the 12.5% Basic Royalty of Tract No. 31 is as follows:

12-18-2001	Knollene Lovelace McDaniel	17.240830
11-22-01	Frances Alice Lovelace	15.518335
11-22-01	Roe Lovelace	9.481667
11-23-01	Judith Ann Lovelace	4.740834
11-23-2001	Carole Lynn Lovelace Hutchison	1.580278
	Noel Holt Lovelace	1.580278
12-13-2001	Dru Wynn Lovelace King	1.580278
12-19-2001	Joan Collinson Deming	15.518335
12-19-2001	Jean Collinson Suggs	15.518335
	Carl L. Johnson	8.620415
	Gary M. Lovelace	8.620415

SUMMARY		
	<u>Acres</u>	<u>Per Cent of Unit Area</u>
Federal Lands	26,499.79	70.97
State Lands	6,532.38	17.50
Patented Lands	4,306.87	11.53
	-----	-----
Totals	37,339.04	100.00

12,166
BEN DONEGAN
3224 CANDELARIA NE
ALBUQUERQUE, NEW MEXICO 87107

Phone 505 884-2780
Fax 505 888-2621

RECEIVED

OCT 8 4 2003

**OIL CONSERVATION
DIVISION**

October 27, 2003

Authorized Officer
Bureau of Land Management
2209 West Second Street
Roswell, NM 88202

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

Director
Oil, Gas and Minerals Division
New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148

Re: September 1, 2003 second revision of Exhibit B Schedule of
Ownership of the Cat Head Mesa Unit Agreement, Socorro County

Ladies and Gentlemen:

Enclosed are two copies of the September 1, 2003 second revision of Exhibit B
Schedule of Ownership of the Cat Head Mesa Unit Agreement, Socorro County, New
Mexico. Also enclosed is a copy of the revised Exhibit B with the changes highlighted.

Very truly yours,

Primero Operating, Inc.

By: Ben Donegan
Ben Donegan, Agent

BD/nn
Encl.

EXHIBIT B

SCHEDULE OF OWNERSHIP
CAT HEAD MESA UNIT AGREEMENT
Socorro County, New Mexico

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
FEDERAL LANDS							
1	T. 4 S., R. 8 E. Sec. 3: Lots 1-4, S2, S2N2 (All) Sec. 10: All Sec. 11: All Sec. 14: S2N2, S2	2,400.76	NM 91532 8-31-03	12.5%	*	**5.075892%	***
2	T. 4 S., R. 8 E. Sec. 12: All Sec. 13: All Sec. 23: E2 Sec. 24: All	2,240.00	NM 91533 8-31-03	12.5%	*	**5.075892%	***
3	T. 4 S., R. 9 E. Sec. 4: Lots 1-4, S2, S2N2 (All) Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 8: N2, W2SW, S2SE Sec. 9: All	2,406.76	NM 91534 8-31-03	12.5%	*	**5.075892%	***
4	T. 4 S., R. 9 E. Sec. 6: Lots 1-7, S2NE, SENW, SE, E2SW (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 17: E2, W2W2 Sec. 18: Lots 1-4, E2, E2W2 (All)	2,388.27	NM 91535 8-31-03	12.5%	*	**5.075892%	***
5	T. 4 S., R. 9 E. Sec. 10: All Sec. 13: W2, W2SE Sec. 14: All Sec. 15: All	2,320.00	NM 91536 8-31-03	12.5%	*	**5.075892%	***

Cat Head Mesa Unit

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
6	T. 4 S., R. 9 E. Sec. 19: Lots 1-4, E2, E2W2, (All) Sec. 20: N2NE, W2NW, S2 Sec. 21: All Sec. 22: All	2,395.88	NM 91537 8-31-03	12.5%	*	**5.075892%	***
7	T. 4 S., R. 9 E. Sec. 23: All Sec. 24: W2E2, W2, SESE Sec. 25: All Sec. 26: All	2,440.00	NM 91538 8-31-03	12.5%	*	**5.075892%	***
8	T. 4 S., R. 9 E. Sec. 27: All Sec. 33: All Sec. 34: N2, N2S2, S2SW Sec. 35: All	2,480.00	NM 91539 8-31-03	12.5%	*	**5.075892%	***
9	T. 4 S., R. 9 E. Sec. 28: All Sec. 29: All Sec. 30: Lots 1-4, E2, E2W2 (All) Sec. 31: Lots 1-4, E2, E2W2 (All)	2,551.84	NM 91540 8-31-03	12.5%	*	**5.075892%	***
10	T. 3 S., R. 9 E. Sec. 31: Lots 1-4, E2, E2W2 (All) T. 4 S., R. 9 E. Sec. 3: Lots 1-4, S2N2, N2S2 Sec. 11: All	1,756.28	NM 91587 9-30-03	12.5%	*	**5.075892%	***
11	T. 3 S., R. 8 E. Sec. 35: S2	320.00	NM 93025 3-31-04	12.5%	*	**5.075892%	***
12	T. 3 S., T. 9 E. Sec. 33: S2	320.00	NM 93026 4-30-04	12.5%	*	**5.075892%	***
13	T. 4 S., R. 8 E. Sec. 15: S2NE, SE	240.00	NM 93028 4-30-04	12.5%	*	**5.075892%	***

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>	<u>Lease No. and Expiration Date</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalty</u>	<u>Working Interest</u>
14	T. 4 S., R. 9 E. Sec. 12: W2	320.00	NM 93029 3-31-04	12.5%	*	**5.075892%	***
15	T. 5 S., R. 9 E. Sec. 3: S2, S2NW Sec. 4: SE, S2NE Sec. 9: E2 Sec. 10: All Sec. 11: N2	1,920.00	NM 97648 9-30-05	12.5%	*	**5.075892%	***
<u>STATE LANDS</u>							
16	T. 3 S., R. 8 E. Sec. 36: S2	320.00	LH 4434 6-1-03	12.5%	*	**5.075892%	***
17	T. 3 S., R. 9 E. Sec. 32: S2	320.00	LH 4437 6-1-03	12.5%	*	**5.075892%	***
18	T. 4 S., R. 8 E. Sec. 1: Lots 1-4, S2, S2N2 (All)	640.24	LH 4439 6-1-03	12.5%	*	**5.075892%	***
19	T. 4 S., R. 8 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	640.52	LH 4440 6-1-03	12.5%	*	**5.075892%	***
20	T. 4 S., R. 8 E. Sec. 25: All	640.00	LH 4442 6-1-03	12.5%	*	**5.075892%	***
21	T. 4 S., R. 8 E. Sec. 36: E2	320.00	LH 4446 6-1-03	12.5%	*	**5.075892%	***
22	T. 4 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	640.60	LH 4447 6-1-03	12.5%	*	**5.075892%	***
23	T. 4 S., R. 9 E. Sec. 16: All	640.00	LH 4448 6-1-03	12.5%	*	**5.075892%	***
24	T. 4 S., R. 9 E. Sec. 17: E2W2	160.00	LH 4449 6-1-03	12.5%	*	**5.075892%	***

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
25	T. 4 S., R. 9 E. Sec. 32: All	640.00	LH 4450 6-1-03	12.5%	*	**5.075892%	***
26	T. 4 S., R. 9 E. Sec. 34: S2SE	80.00	LH 4451 6-1-03	12.5%	*	**5.075892%	***
27	T. 4 S., R. 9 E. Sec. 36: All	640.00	LH 5552 6-1-03	12.5%	*	**5.075892%	***
28	T. 5 S., R. 8 E. Sec. 1: Lots 1,2, SE, S2NE	283.42	LH 4453 6-1-03	12.5%	*	**5.075892%	***
29	T. 5 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	567.60	LH 4460 6-1-03	12.5%	*	**5.075892%	***
PATENTED LANDS							
30	T. 4 S., R. 8 E. Sec. 14: N2N2 Sec. 15: N2NE T. 5 S., R. 9 E. Sec. 3: Lots 1-4, S2NE Sec. 4: Lots 1-4, S2NW, SW Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 6: Lots 1-7, SENW, E2SW, S2NE, SE (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 8: All Sec. 9: W2	3,466.87	Harvey Mineral Trust 10-16-05	12.5%	*	**5.075892%	***
31	T. 4 S., R. 9 E. Sec. 3: S2S2 Sec. 8: N2SE, E2SW Sec. 13: E2E2, W2NE Sec. 20: S2NE, E2NW Sec. 24: E2NE, NESE	840.00	11-20-05	****12.5%	*	**5.075892%	***

*The Lessee of Record of all 31 Tracts in the unit area is Frizzell Exploration Company II.

**Ownership of the 5.075892% overriding royalty interest of all 31 Tracts in the unit area is as follows:

Bowerman Energy Company	0.065965	JHJ Exploration, Ltd.	0.671306
Bright & Company	0.060908	JMA Exploration, Ltd.	0.070963
Ben and Ruby Donegan	0.750000	MJR Investment Corporation	0.064851
E. S. Mayer & Sons, Ltd.	0.070963	Stephen D. & Nancy J. Nolan	0.250000
Frizzell Exploration Company II	0.895076	Saxon Oil Company	0.047314
Robert D. and Frances E. Gunn	0.671306	The Rudman Partnership	0.156120
Nelson Bunker Hunt	0.250000	The Rudman Partnership	0.075892+
Integras Resources, Inc.	0.250000	Tejon Exploration Company	0.070963
Jacobs Exploration, Ltd.	0.171510	Tucker-Scully Interests, Ltd.	0.223769
		Warren, Inc.	0.258986

+The Rudman Partnership 0.075892% overriding royalty interest is payable out of the Benson-Montin-Greer Drilling Corporation (0.008483%), Ceja Corporation (0.029567%), MJR Investment Corporation (0.017770%), Slash Four Enterprises, Inc. (0.002803%), Tejon Exploration Company (0.013182%) and Warren, Inc. (0.004087%) working interests.

***Ownership of the 100.0% working interest of all 31 Tracts in the unit area is as follows:

Benson-Montin-Greer Drilling Corporation	11.177673
Ceja Corporation	39.315789
Bill Fenn	5.187037
JMA Oil Properties, Ltd.	2.515268
MJR Investment Corporation	15.000000
Slash Four Enterprises, Inc.	3.693512
Tejon Exploration Company	17.725354
Warren, Inc.	5.385367

****The per cent ownership of the 12.5% Basic Royalty of Tract No. 31 is as follows:

Knollene Lovelace McDaniel	17.240830
Roe Lovelace	25.000002
Judith Ann Lovelace	4.740834
Carole Lynn Lovelace Hutchison	1.580278
Noel Holt Lovelace	1.580278
Dru Wynn Lovelace King	1.580278
Joan Collinson Deming	15.518335
Jean Collinson Suggs	15.518335
Carl L. Johnson	8.620415
Gary M. Lovelace	8.620415

EXHIBIT B

SCHEDULE OF OWNERSHIP
CAT HEAD MESA UNIT AGREEMENT
Socorro County, New Mexico

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
FEDERAL LANDS							
1	T. 4 S., R. 8 E. Sec. 3: Lots 1-4, S2, S2N2 (All) Sec. 10: All Sec. 11: All Sec. 14: S2N2, S2	2,400.76	NM 91532 8-31-03	12.5%	*	**5.075892%	***
2	T. 4 S., R. 8 E. Sec. 12: All Sec. 13: All Sec. 23: E2 Sec. 24: All	2,240.00	NM 91533 8-31-03	12.5%	*	**5.075892%	***
3	T. 4 S., R. 9 E. Sec. 4: Lots 1-4, S2, S2N2 (All) Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 8: N2, W2SW, S2SE Sec. 9: All	2,406.76	NM 91534 8-31-03	12.5%	*	**5.075892%	***
4	T. 4 S., R. 9 E. Sec. 6: Lots 1-7, S2NE, SENW, SE, E2SW (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 17: E2, W2W2 Sec. 18: Lots 1-4, E2, E2W2 (All)	2,388.27	NM 91535 8-31-03	12.5%	*	**5.075892%	***
5	T. 4 S., R. 9 E. Sec. 10: All Sec. 13: W2, W2SE Sec. 14: All Sec. 15: All	2,320.00	NM 91536 8-31-03	12.5%	*	**5.075892%	***

Cat Head Mesa Unit

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
6	T. 4 S., R. 9 E. Sec. 19: Lots 1-4, E2, E2W2, (All) Sec. 20: N2NE, W2NW, S2 Sec. 21: All Sec. 22: All	2,395.88	NM 91537 8-31-03	12.5%	*	**5.075892%	***
7	T. 4 S., R. 9 E. Sec. 23: All Sec. 24: W2E2, W2, SESE Sec. 25: All Sec. 26: All	2,440.00	NM 91538 8-31-03	12.5%	*	**5.075892%	***
8	T. 4 S., R. 9 E. Sec. 27: All Sec. 33: All Sec. 34: N2, N2S2, S2SW Sec. 35: All	2,480.00	NM 91539 8-31-03	12.5%	*	**5.075892%	***
9	T. 4 S., R. 9 E. Sec. 28: All Sec. 29: All Sec. 30: Lots 1-4, E2, E2W2 (All) Sec. 31: Lots 1-4, E2, E2W2 (All)	2,551.84	NM 91540 8-31-03	12.5%	*	**5.075892%	***
10	T. 3 S., R. 9 E. Sec. 31: Lots 1-4, E2, E2W2 (All) T. 4 S., R. 9 E. Sec. 3: Lots 1-4, S2N2, N2S2 Sec. 11: All	1,756.28	NM 91587 9-30-03	12.5%	*	**5.075892%	***
11	T. 3 S., R. 8 E. Sec. 35: S2	320.00	NM 93025 3-31-04	12.5%	*	**5.075892%	***
12	T. 3 S., T. 9 E. Sec. 33: S2	320.00	NM 93026 4-30-04	12.5%	*	**5.075892%	***
13	T. 4 S., R. 8 E. Sec. 15: S2NE, SE	240.00	NM 93028 4-30-04	12.5%	*	**5.075892%	***

<u>Tract No.</u>	<u>Description</u>	<u>Acres</u>	<u>Lease No. and Expiration Date</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalty</u>	<u>Working Interest</u>
14	<u>T. 4 S., R. 9 E.</u> <u>Sec. 12: W2</u>	320.00	NM 93029 3-31-04	12.5%	*	**5.075892%	***
15	<u>T. 5 S., R. 9 E.</u> <u>Sec. 3: S2, S2NW</u> <u>Sec. 4: SE, S2NE</u> <u>Sec. 9: E2</u> <u>Sec. 10: All</u> <u>Sec. 11: N2</u>	1,920.00	NM 97648 9-30-05	12.5%	*	**5.075892%	***
<u>STATE LANDS</u>							
16	<u>T. 3 S., R. 8 E.</u> <u>Sec. 36: S2</u>	320.00	LH 4434 6-1-03	12.5%	*	**5.075892%	***
17	<u>T. 3 S., R. 9 E.</u> <u>Sec. 32: S2</u>	320.00	LH 4437 6-1-03	12.5%	*	**5.075892%	***
18	<u>T. 4 S., R. 8 E.</u> <u>Sec. 1: Lots 1-4, S2, S2N2 (All)</u>	640.24	LH 4439 6-1-03	12.5%	*	**5.075892%	***
19	<u>T. 4 S., R. 8 E.</u> <u>Sec. 2: Lots 1-4, S2, S2N2 (All)</u>	640.52	LH 4440 6-1-03	12.5%	*	**5.075892%	***
20	<u>T. 4 S., R. 8 E.</u> <u>Sec. 25: All</u>	640.00	LH 4442 6-1-03	12.5%	*	**5.075892%	***
21	<u>T. 4 S., R. 8 E.</u> <u>Sec. 36: E2</u>	320.00	LH 4446 6-1-03	12.5%	*	**5.075892%	***
22	<u>T. 4 S., R. 9 E.</u> <u>Sec. 2: Lots 1-4, S2, S2N2 (All)</u>	640.60	LH 4447 6-1-03	12.5%	*	**5.075892%	***
23	<u>T. 4 S., R. 9 E.</u> <u>Sec. 16: All</u>	640.00	LH 4448 6-1-03	12.5%	*	**5.075892%	***
24	<u>T. 4 S., R. 9 E.</u> <u>Sec. 17: E2W2</u>	160.00	LH 4449 6-1-03	12.5%	*	**5.075892%	***

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
25	T. 4 S., R. 9 E. Sec. 32: All	640.00	LH 4450 6-1-03	12.5%	*	**5.075892%	***
26	T. 4 S., R. 9 E. Sec. 34: S2SE	80.00	LH 4451 6-1-03	12.5%	*	**5.075892%	***
27	T. 4 S., R. 9 E. Sec. 36: All	640.00	LH 5552 6-1-03	12.5%	*	**5.075892%	***
28	T. 5 S., R. 8 E. Sec. 1: Lots 1,2, SE, S2NE	283.42	LH 4453 6-1-03	12.5%	*	**5.075892%	***
29	T. 5 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	567.60	LH 4460 6-1-03	12.5%	*	**5.075892%	***
PATENTED LANDS							
30	T. 4 S., R. 8 E. Sec. 14: N2N2 Sec. 15: N2NE T. 5 S., R. 9 E. Sec. 3: Lots 1-4, S2NE Sec. 4: Lots 1-4, S2NW, SW Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 6: Lots 1-7, SENW, E2SW, S2NE, SE (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 8: All Sec. 9: W2	3,466.87	Harvey Mineral Trust 10-16-05	12.5%	*	**5.075892%	***
31	T. 4 S., R. 9 E. Sec. 3: S2S2 Sec. 8: N2SE, E2SW Sec. 13: E2E2, W2NE Sec. 20: S2NE, E2NW Sec. 24: E2NE, NESE	840.00	11-20-05	****12.5%	*	**5.075892%	***

*The Lessee of Record of all 31 Tracts in the unit area is Frizzell Exploration Company II.

**Ownership of the 5.075892% overriding royalty interest of all 31 Tracts in the unit area is as follows:

Bowerman Energy Company	0.065965	JHJ Exploration, Ltd.	0.671306
Bright & Company	0.060908	JMA Exploration, Ltd.	0.070963
Ben and Ruby Donegan	0.750000	MJR Investment Corporation	0.064851
E. S. Mayer & Sons, Ltd.	0.070963	Stephen D. & Nancy J. Nolan	0.250000
Frizzell Exploration Company II	0.895076	Saxon Oil Company	0.047314
Robert D. and Frances E. Gunn	0.671306	The Rudman Partnership	0.156120
Nelson Bunker Hunt	0.250000	The Rudman Partnership	0.075892+
Integras Resources, Inc.	0.250000	Tejon Exploration Company	0.070963
Jacobs Exploration, Ltd.	0.171510	Tucker-Scully Interests, Ltd.	0.223769
		Warren, Inc.	0.258986

+The Rudman Partnership 0.075892% overriding royalty interest is payable out of the Benson-Montin-Greer Drilling Corporation (0.008483%), Ceja Corporation (0.029567%), MJR Investment Corporation (0.017770%), Slash Four Enterprises, Inc. (0.002803%), Tejon Exploration Company (0.013182%) and Warren, Inc. (0.004087%) working interests.

***Ownership of the 100.0% working interest of all 31 Tracts in the unit area is as follows:

Benson-Montin-Greer Drilling Corporation	11.177673
Ceja Corporation	39.315789
Bill Fenn	5.187037
JMA Oil Properties, Ltd.	2.515268
MJR Investment Corporation	15.000000
Slash Four Enterprises, Inc.	3.693512
Tejon Exploration Company	17.725354
Warren, Inc.	5.385367

****The per cent ownership of the 12.5% Basic Royalty of Tract No. 31 is as follows:

Knollene Lovelace McDaniel	17.240830
Roe Lovelace	25.000002
Judith Ann Lovelace	4.740834
Carole Lynn Lovelace Hutchison	1.580278
Noel Holt Lovelace	1.580278
Dru Wynn Lovelace King	1.580278
Joan Collinson Deming	15.518335
Jean Collinson Suggs	15.518335
Carl L. Johnson	8.620415
Gary M. Lovelace	8.620415

EXHIBIT B

SCHEDULE OF OWNERSHIP
CAT HEAD MESA UNIT AGREEMENT
Socorro County, New Mexico

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
<u>FEDERAL LANDS</u>							
1	T. 4 S., R. 8 E. Sec. 3: Lots 1-4, S2, S2N2 (All) Sec. 10: All Sec. 11: All Sec. 14: S2N2, S2	2,400.76	NM 91532 8-31-03	12.5%	*	**5.075892%	***
2	T. 4 S., R. 8 E. Sec. 12: All Sec. 13: All Sec. 23: E2 Sec. 24: All	2,240.00	NM 91533 8-31-03	12.5%	*	**5.075892%	***
3	T. 4 S., R. 9 E. Sec. 4: Lots 1-4, S2, S2N2 (All) Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 8: N2, W2SW, S2SE Sec. 9: All	2,406.76	NM 91534 8-31-03	12.5%	*	**5.075892%	***
4	T. 4 S., R. 9 E. Sec. 6: Lots 1-7, S2NE, SENW, SE, E2SW (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 17: E2, W2W2 Sec. 18: Lots 1-4, E2, E2W2 (All)	2,388.27	NM 91535 8-31-03	12.5%	*	**5.075892%	***
5	T. 4 S., R. 9 E. Sec. 10: All Sec. 13: W2, W2SE Sec. 14: All Sec. 15: All	2,320.00	NM 91536 8-31-03	12.5%	*	**5.075892%	***

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
6	T. 4 S., R. 9 E. Sec. 19: Lots 1-4, E2, E2W2, (All) Sec. 20: N2NE, W2NW, S2 Sec. 21: All Sec. 22: All	2,395.88	NM 91537 8-31-03	12.5%	*	**5.075892%	***
7	T. 4 S., R. 9 E. Sec. 23: All Sec. 24: W2E2, W2, SESE Sec. 25: All Sec. 26: All	2,440.00	NM 91538 8-31-03	12.5%	*	**5.075892%	***
8	T. 4 S., R. 9 E. Sec. 27: All Sec. 33: All Sec. 34: N2, N2S2, S2SW Sec. 35: All	2,480.00	NM 91539 8-31-03	12.5%	*	**5.075892%	***
9	T. 4 S., R. 9 E. Sec. 28: All Sec. 29: All Sec. 30: Lots 1-4, E2, E2W2 (All) Sec. 31: Lots 1-4, E2, E2W2 (All)	2,551.84	NM 91540 8-31-03	12.5%	*	**5.075892%	***
10	T. 3 S., R. 9 E. Sec. 31: Lots 1-4, E2, E2W2 (All) T. 4 S., R. 9 E. Sec. 3: Lots 1-4, S2N2, N2S2 Sec. 11: All	1,756.28	NM 91587 9-30-03	12.5%	*	**5.075892%	***
11	T. 3 S., R. 8 E. Sec. 35: S2	320.00	NM 93025 3-31-04	12.5%	*	**5.075892%	***
12	T. 3 S., T. 9 E. Sec. 33: S2	320.00	NM 93026 4-30-04	12.5%	*	**5.075892%	***
13	T. 4 S., R. 8 E. Sec. 15: S2NE, SE	240.00	NM 93028 4-30-04	12.5%	*	**5.075892%	***

Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
14	<u>T. 4 S., R. 9 E.</u> Sec. 12: W2	320.00	NM 93029 3-31-04	12.5%	*	**5.075892%	***
15	<u>T. 5 S., R. 9 E.</u> Sec. 3: S2, S2NW Sec. 4: SE, S2NE Sec. 9: E2 Sec. 10: All Sec. 11: N2	1,920.00	NM 97648 9-30-05	12.5%	*	**5.075892%	***
<u>STATE LANDS</u>							
16	<u>T. 3 S., R. 8 E.</u> Sec. 36: S2	320.00	LH 4434 6-1-03	12.5%	*	**5.075892%	***
17	<u>T. 3 S., R. 9 E.</u> Sec. 32: S2	320.00	LH 4437 6-1-03	12.5%	*	**5.075892%	***
18	<u>T. 4 S., R. 8 E.</u> Sec. 1: Lots 1-4, S2, S2N2 (All)	640.24	LH 4439 6-1-03	12.5%	*	**5.075892%	***
19	<u>T. 4 S., R. 8 E.</u> Sec. 2: Lots 1-4, S2, S2N2 (All)	640.52	LH 4440 6-1-03	12.5%	*	**5.075892%	***
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22	<u>T. 4 S., R. 9 E.</u> Sec. 2: Lots 1-4, S2, S2N2 (All)	640.60	LH 4447 6-1-03	12.5%	*	**5.075892%	***
23	<u>T. 4 S., R. 9 E.</u> Sec. 16: All	640.00	LH 4448 6-1-03	12.5%	*	**5.075892%	***
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Tract No.	Description	Acres	Lease No. and Expiration Date	Basic Royalty	Lessee of Record	Overriding Royalty	Working Interest
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28	T. 5 S., R. 8 E. Sec. 1: Lots 1,2, SE, S2NE	283.42	LH 4453 6-1-03	12.5%	*	**5.075892%	***
29	T. 5 S., R. 9 E. Sec. 2: Lots 1-4, S2, S2N2 (All)	567.60	LH 4460 6-1-03	12.5%	*	**5.075892%	***
PATENTED LANDS							
30	T. 4 S., R. 8 E. Sec. 14: N2N2 Sec. 15: N2NE T. 5 S., R. 9 E. Sec. 3: Lots 1-4, S2NE Sec. 4: Lots 1-4, S2NW, SW Sec. 5: Lots 1-4, S2, S2N2 (All) Sec. 6: Lots 1-7, SENW, E2SW, S2NE, SE (All) Sec. 7: Lots 1-4, E2, E2W2 (All) Sec. 8: All Sec. 9: W2	3,466.87	Harvey Mineral Trust 10-16-05	12.5%	*	**5.075892%	***
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Robert D. and Frances E. Gunn	0.671306	The Rudman Partnership	0.156120
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Dru Wynn Lovelace King	1.580278
Joan Collinson Deming	15.518335
Jean Collinson Suggs	15.518335
Carl L. Johnson	8.620415
Gary M. Lovelace	8.620415



IN REPLY REFER TO:
3745(NM0910)N

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Amarillo Field Office - Helium Operations

801 South Fillmore, Suite 500

Amarillo, Texas 79101-3545

www.nm.blm.gov

August 18, 2003

Mr. Ben Donegan
3224 Candelaria NE
Albuquerque, New Mexico 87107

Dear Mr. Donegan:

The Bureau of Land Management, Amarillo Field Office submits this letter of intent to the owners of the working interest of the Cat Head Mesa Exploratory Unit, Socorro County, New Mexico, to facilitate additional testing of wells located on Cat Head Mesa Unit No 1. This letter of intent stipulates that the Amarillo Field Office will enter into a Helium Sales and Disposition contract for refined helium produced and sold from the Unit. This letter further stipulates that the fee sale owed to the federal government's participation for helium sold or credited to the federal lands located in the Cat Head Mesa Unit Area will be one-eighth (12.5%) of the total gross federal helium revenue. Other terms of the agreement will be established in the final Helium Sales and Disposition contract. This letter of intent shall expire on August 18, 2006, if formal negotiations for Helium Sales and Disposition contract have not commenced.

Sincerely,

Timothy R. Spisak
Amarillo Field Office Manager



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 25, 2003

Primero Operating, Inc.
c/o Mr. Ben Donegan
3224 Candelaria N.E.
Albuquerque, New Mexico 87107

**Re: 2003 Plan of Development and Operations
Cat Head Mesa Unit, Socorro County, New Mexico**

Dear Mr. Donegan:

This office is in receipt of your royalty agreement from the Bureau of Land Management, Amarillo field office concerning royalties on the production of helium from this unit. It is our understanding that all production royalties from federal, state or fee acreage are now equal at 12.5% and that any questions concerning correlative rights in this unit are now addressed. Should any changes in royalties occur within this unit, this office will require the appropriate documentation to be filed for a matter of record for the unit agreement.

Your 2003 Plan of Development, for continuing testing of the Cathead Mesa Well No. 1 and the re-entry of the Dulce Draw Well No. 1 is hereby approved. Our approval is contingent upon approval from the Bureau of Land Management and the New Mexico State Land Office.

Should you have any questions pertaining to these matters, please contact me at (505) 476-3470.

Sincerely,

Roy E. Johnson
Sr. Petroleum Geologist

Cc: Pete Martinez, NM State Land Office
Armando Lopez, Bureau of Land Management/Roswell

BEN DONEGAN
3224 CANDELARIA NE
ALBUQUERQUE, NEW MEXICO 87107

Phone 505 884-2780
Fax 505 888-2621

May 7, 2003

Attention: Armando Lopez
Bureau of Land Management
2909 West Second Street
Roswell, NM 88021

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

Attention: Roy Johnson
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: 2003 Plan of Development and Operation
Cat Head Mesa Unit
Socorro County, New Mexico

Gentlemen:

Primero Operating, Inc. Operator of the Cat Head Mesa Unit, Socorro County, New Mexico, requests your approval of the following 2003 Plan of Further Development and Operation of the Cat Head Mesa Unit in accordance with Section 10 of the Unit Agreement:

Following completion of the contract with the Bureau of Land Management for helium rights on the federal lands in the Unit Area and the finalization of procedures for regulating helium exploration and development in the Unit Area by the Oil Conservation Division, the Operator of the Cat Head Mesa Unit proposes, subject to the availability of a suitable drilling rig or completion unit, (1) to re-enter and resume the testing and completion of the No. 1 Cat Head Mesa Unit well located in Section 9, T. 4 S., R. 9 E. and (2) within six months following completion of the No. 1 Cat Head Mesa Unit well, to commence operations for the second well provided for in Section 9 of the Unit Agreement by re-entering, testing and completing the No. 1 Dulce Draw State well located in the SW1/4NW1/4 of Section 2, T. 4 S., R. 9 E.

Primero Operating, Inc. will notify the Roswell Bureau of Land Management, State Land Office and Oil Conservation Division when the helium contract has been finalized with the Amarillo Bureau of Land Management.

Very truly yours,

Primero Operating, Inc.

By: Ben Donegan
Ben Donegan, Agent

BEN DONEGAN
3224 Candelaria NE
Albuquerque, New Mexico 87107
Telephone: (505) 884-2780
Fax: (505) 888-2621

Date: 8-21-03

To: ROY JOHNSON

Oil Conservation Division

Fax No. (505) 476 3462

From: Ben Donegan

Number of Pages (including this page): 2

Message: Attached is copy of letter I received
from Tim Spisak.



IN REPLY REFER TO:
3745(NM0910)N

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Amarillo Field Office - Helium Operations

801 South Fillmore, Suite 500

Amarillo, Texas 79101-3545

www.blm.gov

August 18, 2003

Mr. Ben Donegan
3224 Candelaria NE
Albuquerque, New Mexico 87107

Dear Mr. Donegan:

The Bureau of Land Management, Amarillo Field Office submits this letter of intent to the owners of the working interest of the Cat Head Mesa Exploratory Unit, Socorro County, New Mexico, to facilitate additional testing of wells located on Cat Head Mesa Unit No 1. This letter of intent stipulates that the Amarillo Field Office will enter into a Helium Sales and Disposition contract for refined helium produced and sold from the Unit. This letter further stipulates that the fee sale owed to the federal government's participation for helium sold or credited to the federal lands located in the Cat Head Mesa Unit Area will be one-eighth (12.5%) of the total gross federal helium revenue. Other terms of the agreement will be established in the final Helium Sales and Disposition contract. This letter of intent shall expire on August 18, 2006, if formal negotiations for Helium Sales and Disposition contract have not commenced.

Sincerely,

Timothy R. Spisak
Amarillo Field Office Manager

BEN DONEGAN
3224 Candelaria NE
Albuquerque, New Mexico 87107
Telephone: (505) 884-2780
Fax: (505) 888-2621

Date: EB-03

To: ROY JOHNSON

Fax No. (505) 4763462

From: Ben Donegan

Number of Pages (including this page): 3

Message: Attached is copy of our letter to Tim Spisak.

BEN DONEGAN
3224 CANDELARIA NE
ALBUQUERQUE, NEW MEXICO 87107

—
Phone 505 884-2780
Fax 505 888-2621

August 8, 2003

Mr. Timothy Spisak
Field Office Manager
Amarillo Field Office – Helium Operations
Bureau of Land Management
601 South Fillmore, Suite 500
Amarillo, Texas 79101-3545

Re: Helium rights on the federal lands located in the Cat
Head Mesa Unit Area, Socorro County, New Mexico

Dear Mr. Spisak:

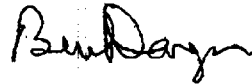
As discussed with you in our meeting in Amarillo August 6, (1) the New Mexico Oil Conservation Division and State Land Office and the Roswell Bureau of Land Management have designated the Cat Head Mesa Unit No. 1 well as a commercial well, (2) the New Mexico Legislature has enacted House Bill 147 to grant the Oil Conservation Division authority to regulate helium effective June 20, 2003 and (3) the State Land Office has approved our 2003 Plan of Further Development and Operation of the Cat Head Mesa Unit and the Oil Conservation Division and Roswell Bureau of Land Management have indicated that their written approvals are forthcoming (we will forward to you copies of the OCD and BLM approvals of our plan upon receipt).

The Owners of the working interest in the oil and gas leases subject to the State/Federal/Fee Cat Head Mesa Exploratory Unit, Socorro County, New Mexico propose to proceed with the further testing of the wells in the Unit Area as provided for in the 2003 Plan following assurance that the Bureau of Land Management Helium Operations will grant to the Owners the right to produce and sell any helium developed on or for the credit of the federal lands located in the Cat Head Mesa Unit Area subject to the reservation of one-eighth royalty to the United States.

Page 2
August 8, 2003

If you agree and approve the granting of the helium rights to the Owners as described above, please so indicate in the space provided below and return a copy of this letter to us.

Very truly yours,



Ben Donegan

We agree and approve the grant of helium rights to the Owners of the working interest in the Cat Head Mesa Unit Area as described above subject to the reservation of a one-eighth royalty interest to the United States:

Bureau of Land Management

By: _____
Timothy R. Spisak
Field Office Manager
Amarillo Field Office – Helium Operations