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D. K. BOYD LAND & CATTLE CO.

P. O. Box 11351
Midland, Texas 79702
432 685-1022

June 16, 2011

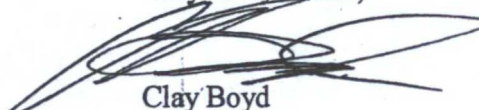
Carolyn Haynes
John H. Hendrix Corporation
110 N Marienfeld
Suite 400
Midland, Texas 79701

Re: Oil Leak on Amoco S Lease
Section 32, T22S, R38E
Lea County, New Mexico

Dear Carolyn:

On Monday June 13, 2011 we notified John H. Hendrix Corporation of an ongoing oil leak that has live freestanding oil just off the John H. Hendrix Corporation Amoco S #1, 2 & 3 Units C, D & E, Tank Battery in Section 32, T22S, R38E, Lea County, New Mexico that resulted in the death of two cows and one cow that is sick and likely to die. We inspected the site on Tuesday June 14, 2011 and found Hendrix had already fenced the site. We visually saw live freestanding oil that had gas bubbles coming to the surface in several spots. We then partially dug up the site and felt the source of the leak was coming from the Hendrix Amoco S Tank Battery. I know in our discussions that Hendrix has also inspected the site on Wednesday June 15, 2011 and do not feel it to be their responsibility. Without the proper investigation performed being one that uses the necessary equipment, we do not feel that Hendrix could correctly defer responsibility for this oil leak. For this reason we are asking that Hendrix properly dig up the site to determine the source and extent of the contamination and submit to us the results of that investigation and Hendrix's remediation plan regarding the oil leak. As mentioned before time is of the essence since we have already had two cows killed and one more sick and likely to die from coming in contact with this oil leak. I will email you the photos that we took at the site on June 14, 2011. If you have any questions feel free to contact me at 432-685-1022.

Very Truly Yours,



Clay Boyd

cc: OCD of New Mexico

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Frying Pan Ranch



D. K. Boyd Oil and Gas Co.



LE Ranch

L/E