

May 10, 2005

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Oil Conservation Division 1301 W. Grand Artesia, NM 88210

Attn: Van Barton

(30-015-34019

Re: MM Squirrel Fee #1

Township 22 South, Range 27 East

Sec. 9: 1550 FNL 330 FEL

Eddy County, NM

Dear Mr. Barton:

This letter is to inform you that Marbob Energy Corporation will begin construction of the locations and pits for the referenced wells in the near future.

Please let us know if you need further information.

Sincerely,

Skyl Bal

Sheryl Baker

Drilling Superintendent

SB/dlw