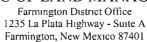


United States Department of the Interior

BUREAU OF LAND MANAGEMENT





IN REPLY REFER TO: NO-G-02031559 3162.3-1 (211)

March 27, 2009

Running Horse Production Company Attn: Robert Voorhees C/o Walsh Engineering 7415 E. Main RCVD MAR 30 '09 OIL CONS. DIV.

DIST. 3

Dear Mr. Voorhees,

IA

Reference is made to the following Application for Permit to Drill (APD):

Cowsaround 1 #2, 900' FNL and 2335" FEL Section 1, T. 26 N., R. 12 W., San Juan County, New Mexico, FIMO Lease No. No-G0203-1559, API No. 30-045-33723

This APD was approved on April 11, 2007 with a lease expiration date of January 6, 2008. This APD has not been extended and no action has been taken. If you wish to drill this well in the future a new APD will be required, as well as a new lease approved. If surface disturbing activities have occurred, you are required to notify this office for reclamation plans. Please contact Mark Kelly for reclamation plans at 505-599-6380.

In view of the foregoing, this office is rescinding this APD.

If you have, any questions regarding the above contact Cynthia Marquez at (505) 599-8936.

Sincerely, '/s/ Cynthia Marquez
Cynthia Marquez
Legal Instrument Examiner
Petroleum Management Branch

cc: Well File: Cowsaround 1 #2 Lease file: No-G-0203-1559 FIMO NMOCD DOMR/AFMSS/cmarquez/RHPC