

PAUL BACA PROFESSIONAL COURT REPORTERS

**OIL CONSERVATION
DIVISION**

CASE # 14200

EXHIBIT

2

JTD RESOURCES, LLC
P.O. Box 3422
Midland, Texas 79702

OIL AND GAS INVESTMENT

(432) 682-3712 OFFICE
(432) 682-8652 FAX

September 10, 2008

Tamarack Petroleum Company, Inc.
500 West Texas, Suite 1485
Midland, Texas 79701

Oil Conservation Division
Case No. 914200
Exhibit No. 2

Attention: Bob Liem

Re: Well Proposal
Roberts #1 Well
T-20-S, R-38-E
Section 9: NE/4 NW/4
Lea County, New Mexico

Gentlemen:

The Deed Records of Lea County, New Mexico indicate that Tamarack Petroleum Company, Inc. owns an undivided 25% leasehold interest in the captioned tract of land, being 10 net leasehold acres, more or less. Tamarack owns the interest by virtue of an Oil and Gas Lease acquired 6/27/77 from the J.E. and Beulah Simmons Trusts A and B, which lease is recorded at Book 304, Page 406 of the Oil and Gas Records in Lea County, New Mexico. The lease appears to be held by production from several wells located on the same lease in Sections 5 and 8 of T-20-S, R-38-E.

JTD Resources, LLC hereby proposes the formation of a 40-acre drilling unit covering the NE/4 NW/4 of Section 9, T-20-S, R-38-E, Lea County, New Mexico for the purpose of drilling a 7,800 Abo test. Pierce Production Company, LLC will operate the well, which is being staked at a location 330' FNL and 1,650' FWL of said Section 9. Completion is anticipated in the Abo, Drinkard, Tubb and Blinebry formations. Operations are expected to commence on or before December 31, 2008. The estimated dry hole cost is \$1,263,883.00 and completion costs are estimated to be \$930,357.00, for a total completed well cost approximating \$1,997,839.00.

JTD respectfully requests Tamarack's support and participation in the proposed test. We enclose two (2) copies of Pierce Production's AFE for your review and execution. In the event Tamarack elects to participate, JTD requests that you execute one (1) copy of the AFE and return it to us at your earliest

convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

In the event Tamarack elects not to participate, JTD would be receptive to purchasing a Term Assignment covering your leasehold interest in the NE/4 NW/4 of Section 9 on the following terms and conditions: \$150.00 per net acre bonus consideration and delivery of a 77% net revenue interest. Or in the alternative, we would entertain a farmout on mutually agreeable terms and conditions.

Thanks in advance for your prompt consideration and response. Should you have any questions, please do not hesitate calling me at (432) 682-3712.

Very truly yours,

JTD RESOURCES, LLC

Dan M. Leonard, Manager, Member