

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 09, 2009

Thomas Kellahin
Kellahin & Kellahin
Attorney at Law
706 Gonzales Road
Santa Fe, New Mexico 87501

Dear Mr. Kellahin:

By the Division Order No.R-12987 issued in Case No. 14156 on September 3, 2008, San Juan Resources, Inc, was granted authority to commence the drilling of the Blancett Ranch 24 Well No. 1 (API No. 30-045-33769) on or before November 30, 2008.

By letter dated November 18, 2008, the Division extended the commencement of drilling this well to February 28, 2009. By letter dated February 5, 2009, San Juan Resources, Inc. requested a second extension for additional ninety (90) days to commence the drilling of the Blancett Ranch 24 Well No. 1 due to unforeseen circumstances.

San Juan Resources, Inc. is hereby granted a second extension to commence the drilling of this well on or before August 29, 2009. Should the drilling of the well not be commenced on or before August 29, 2009, the Division Order No. 12987 shall expire *ipso facto*.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

Mark E. Fesmire, P.E.
Director

MEF/re

Cc: ✓ Case No. 14156
OCD - Aztec



KELLAHIN & KELLAHIN
Attorney at Law

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February 5, 2009

HAND DELIVERED

Mr. Mark E. Fesmire, P.E., Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

2009 FEB 5 AM 11:03
HAND DELIVERED

Re: Request for Second Extension of Commencement Date
Order R-12987, Case 14156
Blancett Ranch "24" Well No. 1 (API#30-045-33769)
Unit H, E/2 of Section 24, T30N, R12W
Application of San Juan Resources, Inc.
for compulsory pooling,
San Juan County, New Mexico

Dear Mr. Fesmire:

On behalf of San Juan Resources Inc. ("SRJ") and in accordance with Order R-12987, copy enclosed, I am requesting an additional ninety (90) day extension of the commencement date for the Blancett Ranch 24 Well No. 1 which is the well to be drilled pursuant to this compulsory pooling order and in support state:

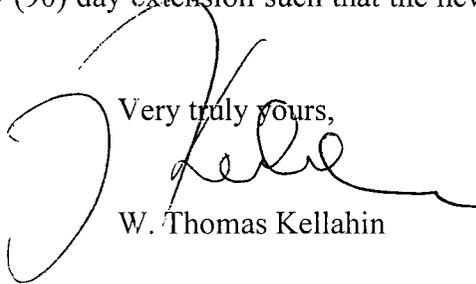
- (1) On September 3, 2008, the Division entered Order R-12987 that provides that unless extended by the Division Director, this compulsory pooling order will expired if the Blancett Ranch "24" Well No.1 is not commenced on or before to November 30, 2008;
- (2) By letter dated November 13, 2009, SJR request a 90-day extension of the commencement date that was approved by OCD letter dated November 18, 2008, copy enclosed, setting a new deadline of February 28, 2009

San Juan Resources, Inc. Drilling Extension Request
February 5, 2009
-Page2-

(3) Now, SJR requests an additional extension so that the commencement date will be on or before May 29th, 2009 and as grounds therefore states that the access road has been adversely affected by weather conditions.

Accordingly, San Juan Resources, Inc. requests that the Division Director grant a ninety (90) day extension such that the new commencement date is on or before May 29, 2009.

Very truly yours,



W. Thomas Kellahin

cc: San Juan Resources, Inc.
Attn: Jerry McHugh