

ELM RIDGE RESOURCES, INC.

Cathleen Colby
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February 25, 2003

Mr. Frank Chavez
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Change of Operator
AP Hixon 1A Com #1 — 30-045-25678
AP Hixon Com #1E — 30-045-26036
San Juan County, NM



Dear Mr. Chavez:

In accordance with our recent telephone conversation, enclosed for OCD review, approval and further handling are the following. Both wells are located on Navajo Allottee minerals and surface.

1. Four original copies of Change of Operator Form C-104A, from Central Resources, Inc. to Elm Ridge Resources, Inc., covering the captioned wells
2. Copy of BLM Change of Operator Sundry Notice from Central Resources, Inc. to Elm Ridge Resource, Inc. covering the captioned wells, approved by the Farmington Indian Minerals Office

The Final List attached to the C104A has been amended in show Central Resources, Inc. as Previous Operator, rather than Jimmy Roberson Energy Corporation. At the time Jimmy Roberson Energy Corporation attempted to assume operations from Central, the transfer was denied by both Farmington Indian Minerals Office and the Bureau of Land Management. Both agencies have continued to recognize Central as the operator of record, and now recognize Elm Ridge Resources, Inc. as operator.

When available, please provide us with two approved forms C-104A, one of which we will forward on to Central Resources. Thank you for your assistance in this matter.

Sincerely,

ELM RIDGE RESOURCES, INC.

Cathleen Colby
Cathleen Colby
Landman