



United States Department of the Interior

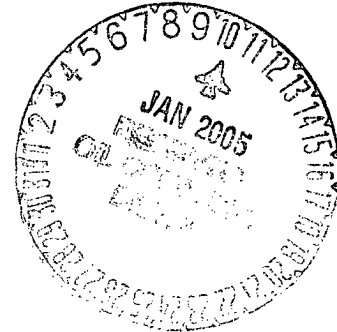
BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401



IN REPLY REFER TO:
NMNM76717 *et al* (CA)
3505 (211)

January 6, 2005



Traci Fletcher
Running Horse Production Company, LLC
P. O. Box 737
Ignacio, CO 81137-0737

Dear Ms. Fletcher:

We received copies in this office of a "Designation of Successor Operator" for the following Communitization Agreements:

CA Number

NMNM76171
NMNM75976
NMNM84044

Well Name and Number

Kirby Federal #1 - 30-045-22143
Designated Hitter #2 - 30-045-22638
Susco #3 - 30-045-28166

By which Running Horse Production Company, LLC replaces Edwards Energy as the operator of the communitized areas. Pursuant to section three of the Communitization Agreements, the designation of Running Horse Production Company, LLC as successor operator is hereby approved, effective July 1, 2003. Copies of the instrument are being distributed to the appropriate Federal offices and one copy is returned herewith.

In approving these designations, the Authorized officer neither warrants nor certifies that the designated party has obtained all required approvals that would entitle it to conduct operations under the Communitization Agreements.

If you have any questions, please contact me at the above address or telephone number (505) 599-8922.

Sincerely,

/s/Lucy Bee

Lucy Bee
Legal Instruments Examiner
Petroleum Management Team

Enclosure

3 - Approved Designation of Successor Operator

cc:

✓ NMOC-D-Aztec (Steve Hayden) w/o encl.
Edwards Energy