



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Rick Maddox
Dakota Resources, Inc.
911 N. Midkiff
Midland, TX 79701

Re: Extension of Deadline to Begin Injection

New Mexico EX State Well No. 2 API No. 30-025-29440 Depths 11,071 to 11,141

Dear Mr. Maddox:

The above-mentioned well was permitted for injection into the Strawn formation on November 18, 2005, with Division administrative order SWD-1008.

As per your request, and for the reasons outlined in your letter, the deadline for commencement of injection is hereby extended for one additional year.

Provided: The operator shall not begin injection into this well until all pre-conditions contained in the original order are complied with.

The injection authority for this well shall expire on November 18, 2007, if the operator has not commenced injection operations.

Approved at Santa Fe, New Mexico, on January 4, 2007.



MARK E. FESMIRE, P.E.

Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs
SWD-1008

911 N. Midkiff
Midland, Texas 79701
(432) 697-3420-Phone
(432) 697-3400-Fax

Dakota Resources, Inc.

January 2, 2007

OCD

Attention: Richard Ezeanyim
1220 South St. Frances Drive
Santa Fe, New Mexico 87505

RE: Administrative Order SWD-1008, State Ex Well # 2 (API No. 30-025-29440)

Dear Mr. Ezeanyim,

Dakota Resources Inc. is requesting an extension on the State EX SWD Permit. The SWD Permit expired on the 18th day of November 2006.

The tanks were ordered in February of 2006 with delivery expected to be in June of 2006. We have continued to check on the progress of the tanks and have been given different delivery times of October, November, etc. They finally informed us that it would be toward the end of the year or the first part of January 2007 before the tanks would be ready due to Hurricane Katrina. The tank manufacturer has been whelmed with orders from the Gulf Coast Region and has also experienced a shortage of man power.

We have not filed for an extension before now because we wanted to make sure the tanks were going to be ready and there were not any more obstacles to prevent us from building the disposal. We were notified by the tank manufacture on December 28, 2006 that the tanks were ready. We are now ready to start the building of the disposal, awaiting your approval.

Thank you in advance for your cooperation in this matter.

Sincerely,



Rick Maddox
Operations Manager