

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary

June 21, 2004

Mark E. Fesmire, P.E. Director Oil Conservation Division

Mr. James Bruce Attorney at Law Post Office Box 1056 Santa Fe, New Mexico 87504

Dear Mr. Bruce:

Based upon the reasons stated in your letter of June 21, 2004, and in accordance with the provisions of Division Order No. R-12095, Leede Operating Company, L.L.C. is hereby granted an additional extension of time until August 31, 2004, in which to commence drilling the well pooled by this order.

Sincerely,

Mark E. Fesmire, PE, JD Director

fd/

cc: Case No. 13171 OCD – Hobbs JAMES BRUCE ATTORNEY AT LAW

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June 21, 2004

Hand Delivered

Mark E. Fesmire Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

> Re: Case No. 13171 and Order No. R-12095; Application of Leede Operating Company, L.L.C. for compulsory pooling, Lea County, New Mexico

Dear Mr. Fesmire:

The above order required the well be commenced by April 30, 2004. By letter dated April 26, 2004, the Division granted applicant until June 30, 2004 to commence the well.

Applicant again requests an extension of the well commencement deadline, to August 31, 2004. Since the hearing, applicant has been performing curative action on the complicated title in the well unit. About 95% of the title defects have been cured, and applicant intends to commence the well as soon as it can. However, rig availability is a problem, and a second an extension is needed to prevent the order from lapsing.

Thank you for your consideration of this matter.

Very truly yours,

Bruce

Attorney for Leede Operating Company, L.L.C.

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