

Bo Blue

From: Ron Lanning [rlanning@mackenergycorp.com]
Sent: Friday, April 23, 2004 9:54 AM
To: Bo Blue (E-mail)
Subject: Roughneck Red "29" Com #1

Bo:

We have reviewed your proposal and AFE for the captioned well.

We do not wish to participate.

We do not wish to grant a Term Assignment, however, we will grant you a Farmout of our leasehold with no retention of overriding royalty and a 1/3 back in after payout.

Ron Lanning
Land Manager
Chase Oil Corporation
505-748-1288