

YESO ENERGY, INC.

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October 6, 2010

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Mr. Mark Fesmire, P.E., Director

Oil Conservation Division

1220 South Saint Francis Drive

Santa Fe, NM 87505

RE: Case #14472 & Case #14547

Dear Mr. Fesmire,

Yeso Energy, Inc submitted a change of Operator form to the BLM which was approved changing the Operator from Yeso Energy, Inc to Chica Energy, LLC on three of four wells owned and operated by Yeso Energy, Inc. These wells were the Dalton Federal #1, Dow "B" 28 Federal #1 and the Gulf-McKay Federal #1. The BLM recognized Chica Energy, LLC as a bonded Operator on Federal BLM lands and approved the appropriate BLM Forms. The NMOCD did not approve Chica Energy, LLC as Operator of Record for purposes of the NMOCD. Chica Energy, LLC lacking approval by the NMOCD as Operator, then transferred Operator on the BLM lands to Judah Oil, LLC.

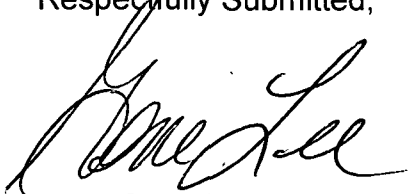
By virtue of assignment, conveyances and other documents, Yeso Energy, Inc no longer owns any right, title and interest in the wells in dispute in the above Cases before the NMOCD. All right, title and interest in and to the wellbores, and any other rights pertaining to the wells, leases, etc was transferred to Judah Oil, LLC; therefore, Yeso Energy, Inc has no position in the above cases. Any and all rights previously held by Yeso Energy, Inc have now been transferred to Judah Oil, LLC. Yeso Energy, Inc has no affiliation with Judah Oil, LLC nor Chica Energy, LLC and would respectfully request to withdraw from any further proceedings in the above cases.

Yeso Energy, Inc has submitted to the BLM a plan to plug and abandon the Morgan Federal #1 well, which is the only other unplugged well that was previously operated by Yeso and not transferred to another operator. Approval to P&A the Morgan Federal #1 should be approved any day now by the BLM and Yeso will move forward to plug this well. The lease has terminated and this would be the only other well needing to be plugged and should not be a determining factor in the above cases for any reason. Yeso plans to have this well plugged and abandoned prior to the November 4, 2010 hearing before the Commission relating to the above cases. A copy of the approved plugging procedure by the BLM will also be submitted to your office.

Once again, Yeso Energy, Inc does not have any reason to be a party to either case pending before the Oil Conservation Commission and requests to withdraw from any and all future proceedings relating to these Cases.

Thank you for your cooperation in this matter.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "H. E. Gene Lee".

H. E. Gene Lee, President

Yeso Energy, Inc.