

T. H. McELVAIN OIL & GAS LLLP
McELVAIN ENERGY, INC., SOLE GENERAL PARTNER
1050 17TH STREET, SUITE 2500
DENVER, COLORADO 80265

RICK HARRIS
SENIOR LANDMAN

TELEPHONE 303-893-0933, EXT. 372
FAX 303-893-0914
E-MAIL: RICKH@MCELVAIN.COM

November 8, 2011

State of New Mexico
Department of Energy, Minerals
and Natural Resources Oil
Conservation Commission
1220 South St. Francis Drive
Santa Fe, NM 87505

VIA FACSIMILE TO 505-476-3462

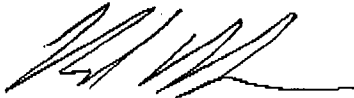
RE: Case No. 14727

Dear Sir or Madam:

T.H. McElvain Oil & Gas LLLP has entered into the attached agreement with Williams Production Company, LLC in the referenced case and hereby withdraws its protest. If you have any questions please do not hesitate to contact me.

Sincerely,

T. H. McELVAIN OIL & GAS LLLP
By: McElvain Energy, Inc., General Partner



Rick Harris
Senior Landman

cc: Ocean Munds-Dry, Holland & Hart, LLP Fax #505-983-6043
James Bruce, Fax #505-982-2151

T. H. McELVAIN OIL & GAS, LLLP
McElvain Energy, Inc., General Partner

1050 - 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

DAVID W. SIPLE
Vice President-Land

TELEPHONE 303-893-0933 EXT. 306
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e-mail: dsiple@mcelvain.com

November 3, 2011

Vern Hansen
Williams Production Company
PO Box 3102
Tulsa, OK 74101-3102

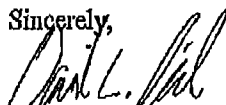
Re: Fruitland Coal Horizontal Wells
Rosa Unit

Dear Mr. Hansen,

In consideration for T.H. McElvain Oil & Gas, LLLP ("McElvain") withdrawing its protest to Williams Production Company, LLC's ("Williams") application for a project area for the Fruitland Coal Participating Area in the Rosa Unit located in San Juan and Rio Arriba Counties, New Mexico, Williams hereby agrees that the producing interval of any Fruitland Coal formation well drilled and/or re-completed within the Fruitland Coal Participation Area of the Rosa Unit shall not be located within six hundred and sixty feet (660') of any outer boundary of a spacing unit where McElvain has an interest, except by agreement between the parties hereto or approval of a Non Standard Location by the NMOCD. If this is acceptable to Williams please sign in the space below and return one original of this letter to the undersigned.

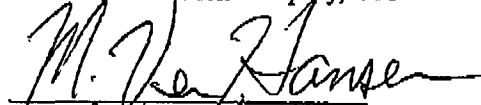
If you have any questions please do not hesitate to contact me.

Sincerely,


David W. Siple
Vice President-Land

Agreed to this 8TH day of November, 2011

Williams Production Company, LLC


By: M. VERN HANSEN
Title: SENIOR STAFF LANDMAN