

2006 JUL 17 PM 2 18

# CDX RIO, LLC

2010 Afton Place  
Farmington, New Mexico 87401  
(505) 326-3003 - Fax (505) 325-4007

July 12, 2006

New Mexico Oil Conservation Division  
Attn: Michael E. Stogner  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Administrative application (Division application reference No. pTDSO-615653727) submitted to the New Mexico Oil Conservation Division in Santa Fe, New Mexico on June 5, 2006 requesting an unorthodox gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools for CDX Rio, LLC's proposed Jicarilla A #4M to be drilled 1780 FSL and 580 FWL (Lot 3/Unit L) of Section 19, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

Dear Mr. Stogner,

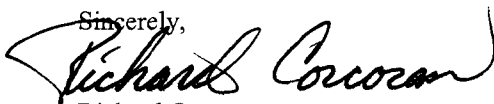
Reference is made to CDX Rio, LLC's application for an unorthodox location of its proposed Jicarilla A #4M well in both the Blanco-Mesaverde and Basin-Dakota pools. I erroneously stated the location of the existing Jicarilla A #4E well (API # 30-039-22292) in our request for nonstandard location. As a result you were led to believe that both the existing well and our proposed well would be located in the same quarter/quarter.

Actually, the existing Jicarilla A #4E well (API # 30-039-22292) is located at 950 FNL and 1,075 FWL (Unit D), and the proposed site of Jicarilla A #4M is to be located at 1,780 FSL and 580 FWL (Unit L), if approved. The other Basin-Dakota well within this spacing unit consisting of Lots 1 through 4 and the E2/W2 (W2 equivalent) of Section 19 is the Jicarilla #4 well (API # 30-039-08062) located at 1,850 FNL and 1,850 FWL (Unit K). Consequently CDX Rio, LLC's proposed Jicarilla A #4M is at an unorthodox location but would be a standard density pattern.

We apologize for this error and regret the loss of time it caused, particularly as we have had to request a number of administrative approvals to carry out our drilling program in this area and do not want to unduly tax the resources of the NMOCD.

We hereby request our application for administrative approval of a nonstandard location be reconsidered given this corrected information. Thank you for your patients in this matter. Please dismiss CDX Rio, LLC from the August 3, 2006 density hearing.

Sincerely,



Richard Corcoran  
Land Manager  
CDX GAS, LLC

Cc: New Mexico Oil Conservation Division-Aztec  
U.S. Bureau of Land Management-Farmington