

**BEN DONEGAN  
3224 CANDELARIA NE  
ALBUQUERQUE, NEW MEXICO 87107**

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**Phone 505 884-2780  
Fax 505 888-2621**

**RECEIVED  
SEP 22 2005  
OIL CONSERVATION  
DIVISION**

September 17, 2005

Attention: Armando A. Lopez  
Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88201

Attention: Pete Martinez  
Commissioner of Public Lands  
Oil, Gas and Mineral Division  
New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, NM 87504-1148

Attention: Roy Johnson  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87503

Re: Approvals of the extension of the time to commence the drilling of the  
Primero Operating, Inc. No. 3 CHMU well, Cat Head Mesa Unit Area No.  
NMNM 106852X, Socorro County, New Mexico to April 1, 2006

Gentlemen:

The Bureau of Land Management and the New Mexico Oil Conservation  
Division have joined the New Mexico State Land Office in extending the time  
for the commencement of the drilling of the No. 3 CHMU well to April 1,  
2006. Copies of the three approval letters are enclosed.

Very truly yours,

Primero Operating, Inc.

By:   
Ben Donegan, Agent

BD/nn  
Encl.



**PATRICK H. LYONS**  
**COMMISSIONER**

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

**COMMISSIONER'S OFFICE**

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

September 12, 2005

Mr. Ben Donegan  
3224 Candelaria NE  
Albuquerque, New Mexico 87107

Re: Cat Head Mesa Unit Well No. 3  
Drilling Extension to April 1, 2006  
Socorro County, New Mexico

Dear Mr. Donegan:

We are in receipt of your letter of September 6, 2005. In your letter, you have requested an extension of time in which to drill the Cat Head Mesa Unit Well No. 3.

The Commissioner of Public Lands hereby grants you an extension to April 1, 2006 to commence the drilling of the Cat Head Mesa Unit Well No. 3. This action is subject to like concurrence by the Bureau of Land Management and the New Mexico Oil Conservation Division.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

**PATRICK H. LYONS**  
**COMMISSIONER OF PUBLIC LANDS**

BY:  
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744  
PL/JB/pm

pc: Reader File,  
BLM Roswell-Attn.: Mr. Armando Lopez  
OCD-Attn.: Mr. Roy Johnson

**-State Land Office Beneficiaries -**

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

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3224 CANDELARIA NE  
ALBUQUERQUE, NEW MEXICO 87107**

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**Phone 505 884-2780  
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Via Federal Express

September 6, 2005

Attention: Armando A. Lopez  
Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88201

Attention: Roy Johnson  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87503

Attention: Pete Martinez  
Commissioner of Public Lands  
Oil, Gas and Mineral Division  
New Mexico State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501-2708

Re: Request for extension of time to commence the drilling  
of the Primero Operating, Inc. No. 3 CHMU well.

Gentlemen:

The 2004-2005 Plan of Development and Operation of the Cat Head Mesa Unit Area, Socorro County, provides that the drilling of the Primero Operating, Inc. No. 3 CHMU well be commenced prior to April 1, 2005. Each of you extended the time to October 1, 2005. We were constructing the road and location for the No. 3 CHMU well and had a United Drilling Company, Inc. rig contracted and ready to move in and commence the drilling of the well in June 2005, when the BLM office in Socorro unexpectedly shut us down for further review of our proposed ROW for our well and delayed their final approval of our original ROW until after we had lost the United rig to another operator. United has assured us that their rig will be available again to drill our well on its way back from Utah, but it is unlikely now that we will have their rig in time to commence the drilling of the well before October 1, 2005. Meanwhile, we are continuing to search for an alternate drilling rig without success. Therefore, in accordance with the provisions of

Section 25. UNAVOIDABLE DELAY. of the Unit Agreement, we now request an extension of the time to commence the No. 3 CHMU well to April 1, 2006.

If you approve, please so indicate in the spaces provided below and return a copy of this letter to us.

Very truly yours,

Primero Operating, Inc.

By: Ben Donegan  
Ben Donegan, Agent

We approve the extension of time to commence the drilling of the Primero Operating, Inc. No. 3 CHMU well to April 1, 2006 as described above:

Bureau of Land Management

New Mexico Oil, Gas and Mineral Division

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

New Mexico Oil Conservation Division

By: [Signature]

Date: 9/7/05

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RECEIVED  
SEP 7 10:27  
FEDERAL EXPRESS

Via Federal Express

September 6, 2005

Attention: Armando A. Lopez  
Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88201

Attention: Pete Martinez  
Commissioner of Public Lands  
Oil, Gas and Mineral Division  
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Attention: Roy Johnson  
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Page 2  
Request for extension  
September 6, 2005

Section 25. UNAVOIDABLE DELAY. of the Unit Agreement, we now request an extension of the time to commence the No. 3 CHMU well to April 1, 2006.

If you approve, please so indicate in the spaces provided below and return a copy of this letter to us.

Very truly yours,

Primero Operating, Inc.

By: Ben Donegan  
Ben Donegan, Agent

We approve the extension of time to commence the drilling of the Primero Operating, Inc. No. 3 CHMU well to April 1, 2006 as described above:

Bureau of Land Management

New Mexico Oil, Gas and Mineral Division

By: Amelia A. Lopez

By: \_\_\_\_\_

Date: 9/15/05

Date: \_\_\_\_\_

New Mexico Oil Conservation Division

By: \_\_\_\_\_

Date: \_\_\_\_\_