

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

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

October 9, 2006

Attention: Alexis Swoboda  
Bureau of Land Management  
2909 West Second Street  
Roswell, NM 88201

Attention: Ed Martin  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87503

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

Re: Request for extension of time to commence the drilling of the No 4. CHMU well  
Cat Head Mesa Unit Area  
Socorro County, New Mexico

Ladies and Gentlemen:

Primero Operating, Inc., Operator of the Cat Head Mesa Unit Area, Unit Agreement No. NMNM 106852X, Socorro County, New Mexico requests your approval of an extension of the time to commence the drilling of the No. 4 CHMU well to May 1, 2007.

Primero has proposed and surveyed several sites for the No. 4 CHMU well since June 4, 2006 that have been reviewed and relocated at the request of the Socorro BLM. We have now identified a location that is acceptable for topographic and cultural reasons and are therefore initiating an archeological survey for that location, following which, subject to archeological clearance, we will file an APTD with the Socorro BLM and, in turn, seek an available drilling rig.

Meanwhile, we are in the process of completing arrangements including Change in Unit Operator whereby Chaparral Energy, L.L.C. will, subject to your approval, take over operations of the Cat Head Mesa Unit Area including the drilling of the No. 4 CHMU well.

If you approve the proposed extension, please so indicate in the space 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 the time to commence the No. 4 CHMU well to May 1, 2007

Bureau of Land Management

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

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

New Mexico Oil Conservation Division

By: Ed Martin

Date: 10.18.06

Commissioner of Public Lands

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

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

# Chaparral

Energy, L.L.C.

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October 11, 2006

Bureau of Land Management  
Attention: Alexis Swoboda  
2909 West Second Street  
Roswell, NM 88201

**DRAFT**

2006 OCT 18 AM 11 49

RE: Change in Unit Operator  
Cat Head Mesa Unit Area  
Socorro County, New Mexico

Ladies and Gentlemen:

Enclosed, please find the Change in Unit Operator form executed by Phelps White for Primero Operating and Robert W. Kelly II for Chaparral Energy. Whereby Chaparral Energy, L.L.C. will, subject to your approval, take over operations of the Cat Head Mesa Unit Area including the drilling of the No. 4 CHMU well.

Should you have any questions regarding this matter, I can be reached at 405-426-4379.

Sincerely,  
**Chaparral Energy, LLC**



Sandy Ellis  
Senior Landman

CC: ✓ New Mexico Oil Conservation Division  
Attention: Ed Martin  
1220 South St. Francis Drive  
Santa Fe, NM 87503

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



CHANGE IN UNIT OPERATOR  
CAT HEAD MESA UNIT AREA  
SOCORRO COUNTY, NEW MEXICO  
No. NMNM 106582X

DRAFT

This indenture dated as of the 10th day of October, 2006, by and between Primero Operating, Inc., hereinafter designed Primero, and Chaparral Energy, L.L.C., hereinafter designated Chaparral:

Witnesseth: Whereas under the provisions of the Act of February 25, 1920, 41 Stat. 437 30 U.S.C. secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Department of the Interior, on the 1<sup>st</sup> day of November, 2001, approved a unit agreement for the Cat Head Mesa Unit Area, wherein Primero is designated as Unit Operator; and

Whereas Primero, Chaparral and all of the owners of working interests in the oil and gas leases covering the Unitized Lands have entered into an agreement that Chaparral will replace Primero as Unit Operator, and

Whereas Primero desires to transfer, assign, release and quitclaim, and Chaparral desires to assume all the rights, duties and obligations of Unit Operator under the unit agreement; and

Now, therefore, in consideration of the premises hereinbefore set forth, Primero does hereby transfer, assign, release and quitclaim unto Chaparral all of Primero's rights, duties and obligations as Unit Operator under said unit agreement; and

Chaparral hereby accepts this assignment and hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of said unit agreement to the full extent set forth in this assignment, effective upon approval of this indenture by the authorized officer of the Bureau of Land Management; said unit agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.

In witness whereof, the parties hereto have executed this instrument as of the date hereinabove set forth.

Primero Operating, Inc.

By: J. Phelps White, IV, President

Debra Lawlis  
Witness

Chaparral Energy, L.L.C

By: Robert W. Kelly, II Attorney-in-Fact

\_\_\_\_\_  
Witness

I hereby approve the foregoing indenture designating Chaparral Energy, L.L.C. as Unit Operator under the unit agreement for the Cat Head Mesa Unit Area this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

By: \_\_\_\_\_  
Authorized officer of the Bureau of Land Management

CHANGE IN UNIT OPERATOR  
CAT HEAD MESA UNIT AREA  
SOCORRO COUNTY, NEW MEXICO  
No. NMNM 106582X

DRAFT

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Whereas Primero, Chaparral and all of the owners of working interests in the oil and gas leases covering the Unitized Lands have entered into an agreement that Chaparral will replace Primero as Unit Operator, and

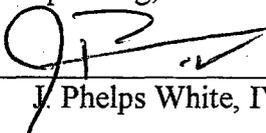
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Now, therefore, in consideration of the premises hereinbefore set forth, Primero does hereby transfer, assign, release and quitclaim unto Chaparral all of Primero's rights, duties and obligations as Unit Operator under said unit agreement; and

Chaparral hereby accepts this assignment and hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of said unit agreement to the full extent set forth in this assignment, effective upon approval of this indenture by the authorized officer of the Bureau of Land Management; said unit agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.

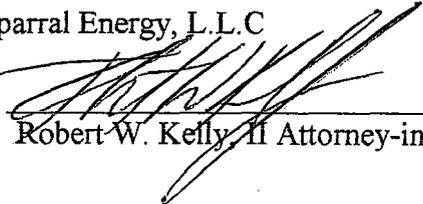
In witness whereof, the parties hereto have executed this instrument as of the date hereinabove set forth.

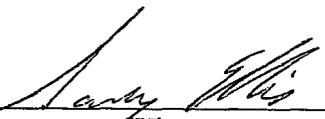
Primero Operating, Inc.

By:   
J. Phelps White, IV, President

  
Witness

Chaparral Energy, L.L.C

By:   
Robert W. Kelly, II Attorney-in-Fact *MR*

  
Witness

I hereby approve the foregoing indenture designating Chaparral Energy, L.L.C. as Unit Operator under the unit agreement for the Cat Head Mesa Unit Area this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

By: \_\_\_\_\_  
Authorized officer of the Bureau of Land Management