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October 5, 2007

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Mark E. Fesmire, P.E., Chairman
Oil Conservation Commission
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: OCC Case# 13927 (De Novo)

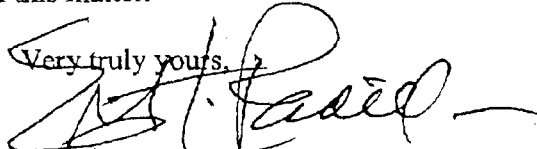
Dear Mr. Fesmire:

The purpose of this letter is to request a continuance of the above referenced Oil Conservation Commission case.

On Thursday, October 11, 2007 I am scheduled for a pre-trial conference in the Fourth Judicial District in Las Vegas, New Mexico at 9:00am. On Tuesday, October 9, 2007 at 8:30am I also have docket call before District Judge James A. Hall for two bench trials that are scheduled first and second on the docket. These bench trials could be scheduled next week and the following week, although I do not believe Judge Hall will schedule either trial on Thursday, October 11, 2007. Additionally, I discovered today that my witness for the OCC case will not be available for the OCC hearing.

I have conferred with Bill Carr about this requested continuance. Mr. Carr understands my conflict in the Fourth Judicial District and does not necessarily oppose this requested continuance but, his client would like to have the matter heard. Mr. Carr also wants to file a dispositive motion to dismiss. We have agreed, nonetheless, to try resolve the issues in this case next week.

Thank you for your consideration of this matter.

Very truly yours,

ERNEST L. PADILLA

ELP:jbg

xc: Ard Energy Group, LTD
William F. Carr, via facsimile 505-983-6043