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November 3, 2007

Via fax

Michael T. Newell
Heidel, Samberson, Newell, Cox & McMahon
P.O. Drawer 1599
Lovington, New Mexico 88260

Re: Quest Cherokee, LLC
West Bishop State Well No. 1

Dear Mike:

Quest's plans regarding surface facilities are as follows:

1. Flaring: Quest desires to minimize flaring, for health and safety reasons and the fact that flaring reduces well revenues. However, during completion there will be some flaring. Quest needs to build its gas pipeline to minimize flaring.
2. Pipeline: The pipeline is planned to go straight west from the well to Jarob Road, north along the road's right-of-way to College Road, then east along the road's right-of-way.
3. Production Equipment: The following equipment is anticipated: (a) an API 320 or 640 pumpjack; (b) one 4' x 20' heater treater; (c) one 10' x 30" separator; (d) two 300 barrel oil tanks; (e) three 300 barrel water tanks; and (f) one vapor recovery unit. Items (b) and (c) will be inside one berm, and items (d) and (e) will be inside another berm.
4. Fencing: Quest has looked into both cyclone fencing and wooden slat fencing. There are pros and cons to both. Cyclone fencing is anticipated on three sides, with two 16 foot gates, and the side facing Jarob Road would have slats.

Oil Conservation Commission

Case No. 13870

Quest Exhibit No. 2

5. Water Wells: Quest has a proposal from Ocotillo. The water gradient is, generally, northwest to southeast. The initial plan was to have one well to the north/northwest, and two wells to the south/southeast. However, if there is sufficient production from irrigation wells which could locally alter the water flow, this can be taken into account.

Very truly yours,

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James Bruce