



October 17, 2008

VIA FEDEX OVERNIGHT

S.G. Methane Company, Inc.
811 Dallas, Suite 1501
Houston, Texas 77002

Re: Martinez Gas Com D #1R
NE4 of Sec. 24, T29N, R10W
San Juan County, New Mexico

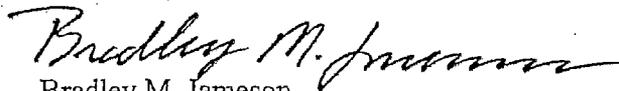
Dear S.G. Methane Company, Inc.:

XTO hereby proposes the drilling and completion of the Martinez Gas Com D #1R Well on the captioned lands to develop the Pictured Cliffs and Chacra Formations. The proposed location for the well is 1140' FNL and 1580' FEL. In connection with this proposal, please find enclosed 2 AFEs, 1 AFE for the Pictured Cliffs and 1 AFE for the Chacra due to different working interest owners. Please review the Pictured Cliffs AFE No. 401473 in the gross amount of 396,560.00.

Also enclosed for your review is our Operating Agreement covering the captioned lands as to the Pictured Cliffs and Chacra Formations. The enclosed Operating Agreement is a standard form of agreement regularly used by XTO and other operators in the San Juan Basin. Kindly review the enclosed Operating Agreement to verify that it meets with your approval.

Please make your election below and return one copy of this letter to my attention along with the signed AFEs and the extra signature page to the Operating Agreement. Your earliest consideration of this matter is needed and much appreciated. If you should have any technical questions, please contact Mr. Robin Tracy, Manager - Reservoir Division, San Juan, at (817) 885-2422. Please call me at (817) 885-3156 with any land related questions.

Yours truly,


Bradley M. Jameson
Landman


Shipment Receipt
Address Information

Ship to:	Ship from:
Select or enter	Miley Wilson
S.G. Methane	XTO Energy
Company, Inc.	
909 FANNIN ST	810 South Houston
STE 2600	

13.75% WI
PL

HOUSTON, TX	Fort Worth, TX
77010-1009	76102
US	US
817-885-3156	8178853308

Shipping Information

Tracking number: 791179026217
 Ship date: 10/31/2008
 Estimated shipping charges: 11.89

Package Information

Service type: Priority Overnight
 Package type: FedEx Envelope
 Number of packages: 1
 Total weight: 0LBS
 Declared value: 0.00USD
 Special Services:
 Pickup/Drop-off: Give to scheduled courier
 at my location

Billing Information

Bill transportation to: Sender
 Your reference:
 P.O. no.:
 Invoice no.:
 Department no.:



- [Package/Envelope](#)
 - [Freight](#)
 - [Expedited](#)
 - [Office/Print Services](#)
- [Ship](#)
 - [Track](#)
 - [Manage](#)
 - [Business Solutions](#)

Detailed Results

[Printable Version](#)

Detailed Results	Notifications								
<p>Tracking no.: 791179026217 </p>									
<h3>Delivered</h3> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 5px;"> Initiated Picked up In transit Delivered </div> <p style="text-align: center; margin-top: 5px;"> Delivered Signed for by: M.HINES </p>									
<p>Shipment Dates</p> <p>Ship date Oct 31, 2008 Delivery date Nov 3, 2008 9:24 AM</p>	<p>Destination</p> <p>HOUSTON, TX Signature Proof of Delivery </p>								
<h3>Shipment Facts</h3>									
<p>Service type</p>	<p>Priority Overnight</p>								
<h3>Shipment Travel History</h3>									
<p>Select time zone: <input type="text" value="Select"/></p>	<p>Select time form</p>								
<p>All shipment travel activity is displayed in local time for the location</p>									
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Date/Time</th> <th style="width: 35%;">Activity</th> <th style="width: 25%;">Location</th> <th style="width: 15%;">Details</th> </tr> </thead> <tbody> <tr> <td>Nov 3, 2008 9:24 AM</td> <td>Delivered</td> <td>HOUSTON, TX</td> <td></td> </tr> </tbody> </table>		Date/Time	Activity	Location	Details	Nov 3, 2008 9:24 AM	Delivered	HOUSTON, TX	
Date/Time	Activity	Location	Details						
Nov 3, 2008 9:24 AM	Delivered	HOUSTON, TX							



October 17, 2008

VIA FEDEX OVERNIGHT

Frederick L. Lilly, Jr.
2895 Brighton Rd
Shaker Heights, OH 44120

Re: Martinez Gas Com D #1R
NE4 of Sec. 24, T29N, R10W
San Juan County, New Mexico

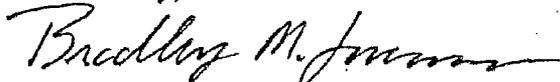
Dear Frederick L. Lilly Jr.:

XTO hereby proposes the drilling and completion of the Martinez Gas Com D #1R Well on the captioned lands to develop the Pictured Cliffs and Chacra Formations. The proposed location for the well is 1140' FNL and 1580' FEL. In connection with this proposal, please find enclosed 2 AFEs, 1 AFE for the Pictured Cliffs and 1 AFE for the Chacra due to different working interest owners. Please review the Pictured Cliffs AFE No. 401473 in the gross amount of 396,560.00.

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Yours truly,


Bradley M. Jameson
Landman



October 17, 2008

VIA FEDEX OVERNIGHT

Candace L. Kelton Cox
17 South Meadow Ridge
Concord, MA 01742

Re: Martinez Gas Com D #1R
NE4 of Sec. 24, T29N, R10W
San Juan County, New Mexico

Dear Candace L. Kelton Cox:

XTO hereby proposes the drilling and completion of the Martinez Gas Com D #1R Well on the captioned lands to develop the Pictured Cliffs and Chacra Formations. The proposed location for the well is 1140' FNL and 1580' FEL. In connection with this proposal, please find enclosed 2 AFEs, 1 AFE for the Pictured Cliffs and 1 AFE for the Chacra due to different working interest owners. Please review the Chacra AFE No. 807496 in the gross amount of 637,440.00.

Also enclosed for your review is our Operating Agreement covering the captioned lands as to the Pictured Cliffs and Chacra Formations. The enclosed Operating Agreement is a standard form of agreement regularly used by XTO and other operators in the San Juan Basin. Kindly review the enclosed Operating Agreement to verify that it meets with your approval.

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Yours truly,

A handwritten signature in black ink that reads 'Bradley M. Jameson'. The signature is written in a cursive, flowing style.

Bradley M. Jameson
Landman



October 17, 2008

VIA FEDEX OVERNIGHT

Georgia Lee Kelton
5500 Old Clarksville Rd.
Paris, TX 75462

Re: Martinez Gas Com D #1R
NE4 of Sec. 24, T29N, R10W
San Juan County, New Mexico

Dear Georgia Lee Kelton:

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Bradley M. Jameson
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