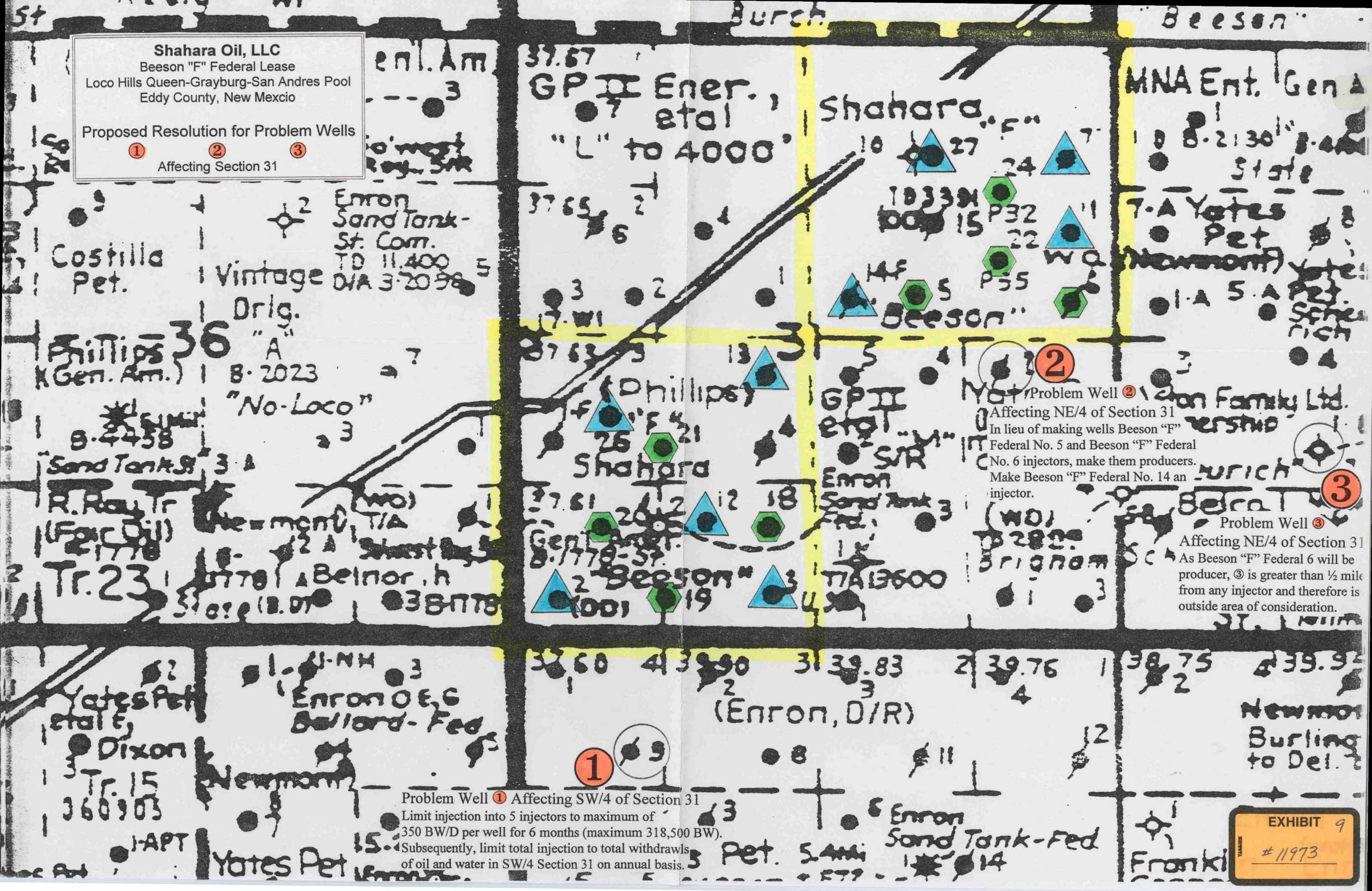
Shahara Oil, LLC
Beeson "F" Federal Lease
Loco Hills Queen-Grayburg-San Andres Pool
Eddy County, New Mexcio

Proposed Resolution for Problem Wells
① ② ③
Affecting Section 31



Problem Well ② Affecting NE/4 of Section 31
In lieu of making wells Beeson "F" Federal No. 5 and Beeson "F" Federal No. 6 injectors, make them producers. Make Beeson "F" Federal No. 14 an injector.

Problem Well ③ Affecting NE/4 of Section 31
As Beeson "F" Federal 6 will be producer, ③ is greater than ½ mile from any injector and therefore is outside area of consideration.

Problem Well ① Affecting SW/4 of Section 31
Limit injection into 5 injectors to maximum of 350 BW/D per well for 6 months (maximum 318,500 BW). Subsequently, limit total injection to total withdrawls of oil and water in SW/4 Section 31 on annual basis.

EXHIBIT 9
#11973