

CCCC

FEB 04 2008  
OCD-ARTESIA

January 31, 2008

30-015-36146

New Mexico Oil Conservation Division  
1301 Grand Avenue  
Artesia, New Mexico 88210  
Attn: Mr. Byran Arrant

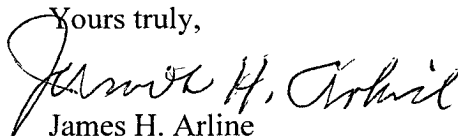
Re: H2S Rule 118 Contingency Plan.  
Stevens A #16H, Federal Lease NMLC 030570A  
Unit L, 2430' FSL, 350' FWL- Surface.  
Unit M, 330' FSL, 330' FWL- BTM HOLE  
SEC. 13, T17S, R30E- Eddy County, New Mexico

Dear Mr. Arrant:

Please accept this letter as our notice we do not believe the referenced plan is required for the referenced well. We have calculated the hazard volume as follows: highest H2S quantity 10,000 PPM, and using a production rate of 255 MCFGPD the 100 PPM radius is 181' and the 500 PPM radius is 83'. This footage does not get off our well locations.

Please contact our Mr. Mark Jacoby or the undersigned if you require additional information.

Yours truly,

  
James H. Arline  
Materials Coordinator