



ConocoPhillips Company
600 N. Dairy Ashford, 2WL-15058
Houston, Texas 77079
Tel: 832-486-2338
Fax: 832-486-2674

Thomas J. Scarbrough
Staff Landman
Permian Basin Business Unit
Exploration Production North America

CERTIFIED MAIL
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RECEIVED
OCT 23 2009
HOBBSON

October 20, 2009

Pride Energy Company
P.O. Box 701950
Tulsa, OK 74170-1950

ATTN: Mr. Matthew L. Pride

RE: Term Assignment and Agreement (C-203852)
Lea County, New Mexico

Dear Matthew:

The Term Assignment and Agreement dated October 16, 2007, by and between ConocoPhillips Company ("COPC") and Pride Energy Company ("PEC") expired on October 16, 2009. COPC hereby requests PEC prepare, execute and forward to COPC a fully executed and recordable reassignment of the lands and leases covered by the referenced Term Assignment and Agreement. COPC requests the reassignment be forwarded to the undersigned within fifteen (15) days after your receipt of this letter.

PEC commenced drilling the Inbe "13" #2 well on September 14, 2006; apparently reaching TD on the well in December, 2008, taking over 2 years to drill the well; and 3+ years after commencing initial drilling operations has not completed the well as a producer of oil and gas. The last Sundry Notice submitted to the Oil Conservation Division of the State of New Mexico ("OCD"), dated May 20, 2009, copy attached, states that PEC was in the process of completing the well. Now 7 months later PEC has filed no Well Completion reports or an application for transportation of production from said well, indicating the well is capable of production. COPC requests you immediately plug and abandon the Inbe "13" #2 well and provide COPC with the appropriate OCD approved Sundry Notice of the requested plugging and abandoning operations having been completed.

Finally, we have attached a copy of your letter dated June 10, 2009 with attached Sundry Notice, concerning the remediation of the drillsite location of the Inbe "13" #2 well as required by the OCD. COPC was advised that PEC had filed said Sundry Notice, with the appropriate NMOCD office. A recent review of the EMNRD files for said well indicates said Sundry Notice never has been filed with or approved by the OCD. COPC acknowledges that upon plugging and abandoning said well PEC will remediate the location per the requirements of the OCD.

Thank you for your immediate attention to this matter.

Respectfully,

Tom Scarbrough
Staff Landman

encl.

cc: Maxey Brown, NMOCD, Hobbs, NM

SCAN TO File
30-025-38083
msb