

(Instructions on page 2)

Resaca Operating Company
NMLC-063965: Cooper Jal Unit #219
API: 30-025-09622
Lea County, New Mexico

RE: Fracture Treat – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

2M BOP is to be used for this well. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

Submit subsequent report and well test once work is completed.

DHW 071210