Northland Operating Co.

Setember 14, 1999

United States Department of the Interior. Bureau of Land Management 2909 W. 2nd Street Roswell, New Mexico 88201 Attn: Linda Askwig

Re: Drilling permit Drickey Queen Sand Unit Well #55 Operator ogrid no. 149936 Property no. 20414 Pool code 8551 API no. 30-005-21157

Dear Ms Askwig:

This permit was approved effective August 24, 1998. For economic reasons due to the price of oil, the well was not drilled within one year. We have re-evaluated the economics and want to proceed with our pilot project which includes the drilling of five wells.

Ms. Askwig, Stan Mayo suggested I write you requesting a time extension on our existing drilling permit for another year. We plan to start drilling well before one year, hoping to be underway in about ninety days.

Thanks for your assistance and please call with any questions you may have or if you need any additional information.

APPROVED PETER W. CHESTER Sincerely, OCT 2 9 1999 BUREAU OF LAND MANACHMENT RECEIVED Jannes L. Hull, Jr. ROSWELL RESOURCE ARE Production Clerk/Regulatory Analyst APPROVED FOR HONTH PERIOD Sep 15 78 ENDING AUG 2 0 2000 BLM ROSWELL, NM

13760 Noel Road, Suite 1030, L.B. #44, Dallas, Texas 75240-7336 Tel (972) 383-8260 Fax (972) 233-9575