



Wexpro Company  
180 East 100 South  
P.O. 45003  
Salt Lake City, UT 84145-0003  
Tel 801 324 2600 • Fax 801 324 2637

Aug 31, 2010

Mr. David Evans  
Evans Consulting Company  
2801 Stratford Drive  
Temple, Texas 76502-3078

Re: Wexpro Acquisition of Non-Consent Interest in Kinney #4 Recompletion

In accordance with the August 9, 2004 Wexpro Agreement Guideline Letter "regarding assignment of marginal intervals to Wexpro to facilitate Development Gas Drilling under terms of the Wexpro Agreement," Wexpro requests the Hydrocarbon Monitor's approval to acquire a relinquished, or "non-consent" interest in the Kinney #4 Recompletion. Paragraph 6 of the August 9, 2004 Guideline Letter states as follows:

Likewise, when third parties relinquish their interests by electing not to participate in a drilling proposal, Wexpro shall have the right to acquire such non-consent interests for development gas drilling under the terms of the Wexpro Agreement, subject to the pre-approval of the Hydrocarbon Monitor.

Wexpro proposes to abandon the Dakota formation which is no longer capable of production and then test the Frontier formation. As there are two parts to the proposed work on the well, there are two corresponding sets of costs:

#### Part I: Plug Back Operation

Samson has elected to not participate in the Dakota plug back operation. Their interest (17.19%) will be rolled into the overall payout account for the Frontier formation. The resulting working interest allocations are as follows; Wexpro has ~84.18%, QEP has ~5.96%, Howell Petroleum has ~4.57% and Devon Energy has ~5.30%. The total plug back cost is estimated to be \$343,500 with Wexpro's share being \$289,144.

#### Part II: Frontier Recompletion

The original working interest ownership for the Frontier in this well is as follows; Wexpro has ~51.44%, QEP has ~16.14%, Howell Petroleum as ~6.72%, Devon has ~10.70% and Samson has 15%. Sampson and Howell Petroleum have elected to not participate in the proposed recompletion. Both companies will be subject to a 300% non-consent penalty until payout. Wexpro and Devon have elected to pick up a proportionate share of the non-consent interest. The resulting interests are; Wexpro has 69.42%, QEP has 16.14% and

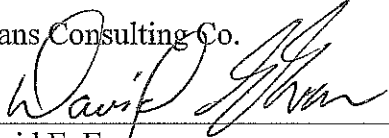
Devon has 14.44%. The total recompletion cost is estimated to be \$703,125 with Wexpro's share being \$488,103.

This letter applies to only the Frontier recompletion in the Kinney #4 well. Any similar farmouts of non-consent interests will require separate Hydrocarbon Monitor approval after appropriate review.

\*Howell Petroleum was purchased by Anadarko in 2002

.....

As the Wexpro Hydrocarbon Monitor, I agree with the request of Wexpro to elect to take third parties' relinquished non-consent interest in the Kinney #4 Well Dakota plug back and Frontier recompletion in accordance with the August 9, 2004 Guideline Letter and recommend approval of this request.

Evans Consulting Co.  
  
\_\_\_\_\_  
David E. Evans  
President

September 11, 2010  
Date