

MACHII-ROSS PETROLEUM CO.

May 19, 2010

Kerr-McGee Onshore Oil & Gas LP
1099 18th Street
Denver, CO 80202

Attn: Kelly Carrington, Landman

Re: **Notice Of Proposed Rule 318A.e Boundary Well**
Spauer 24-7 Well; T4N, R67W, Sec. 7: SHL in the SE1/4NE1/4

Dear Mr. Kerrington:

On April 26, 2010, Machii-Ross Petroleum Co. objected to your Notice of Intent for the subject well dated March 31, 2010. The notice letter included a survey plat but did not include a proposed Stipulation of Interest, AFE, Joint Operating Agreement or Pooling Declaration. The letter indicates that these items will be forthcoming at a later date. Machii-Ross Petroleum Co. hereby withdraws its objection to your Notice of Intent and the establishment of the proposed 160-acre wellbore spacing unit.

When we receive your proposed AFE, JOA and Pooling Agreement, Machii-Ross Petroleum Co. will determine any further action it may wish to take with respect to your proposed well, and it reserves all rights with respect thereto.

We ask that you keep us advised of your plans with respect to this well and consult with us with respect to Kerr-McGee's proposal, so that the parties can share information regarding the proposed well and title to the interests within the proposed units and can resolve any differences of opinion.

Please feel free to contact Machii-Ross Petroleum Co.'s attorney in this matter, Howard L. Boigon, Hogan Lovells US LLP, One Tabor Center, Suite 1500, 1200 Seventh Street, Denver CO 80202; email: howard.boigon@hoganlovells.com. All Notices of Intent and correspondence should be directed to Machii-Ross Petroleum Co. at 2901 28th. Street, Suite 205, Santa Monica CA 90405 and copied to Howard L. Boigon.



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Sincerely,

MACHII-ROSS PETROLEUM CO., a California general partnership

By: TSK Enterprises (U.S.A.), Inc., a Delaware corporation
Its: Co-Equal Partner

By: 
Edward H. Sato, CEO

By: KAR Petroleum Company, a California limited partnership
Its: Co-Equal Partner

By: Pelletier Management Ltd. LLC
Its: General Partner

By: 
C. Neil Rehkop, CEO

cc: Howard L. Boigon