



Wexpro Company
333 South State Street
PO Box 45003
Salt Lake City, UT 84145-0003
Tel 801 324 2534

December 4, 2012

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

Re: Wexpro Company Acquisition of Non-Consent Interest in Mesa Unit
Participating Area "A" Wells

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 Company (Wexpro) requests the Hydrocarbon Monitor's approval to acquire a relinquished, or "non-consent" interest in four Mesa Unit Participating Area "A" wells listed below. 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.

The availability of this interest arose when Lance Oil & Gas Company, Inc. (Lance), a working interest owner along with Ultra Resources, Inc. (Ultra) and Wexpro in Mesa Unit Participating Area "A", elected to not participate in the drilling of the following wells:

Mesa Unit 9B3-7 Well	Mesa Unit 9D3-7 Well
Mesa Unit 10A2-7 Well	Mesa Unit 10C4-7 Well

Wexpro currently owns an approximate 87.75% working interest with Ultra holding a 10.4125% working interest and Lance holding the remaining 1.8375% in the four wells (and any future wells proposed in this participating area). Hydrocarbon Monitor approval would allow Wexpro to obtain up to an additional 1.64258882% working interest in these wells, which we expect to be productive in the Lance and Mesaverde formations. Ultra has elected to pick up its proportionate share of the Lance non-consent interest.

Final working interests in Participating Area "A" wells are subject to a net pay calculation which will adjust the final working interest in the subject wells after drilling. Wexpro has a 100% interest in Participating Area "A" wells from the surface to the stratigraphic

equivalent of 12,050' of the Mesa Unit Well #1, and a 50% interest below such depth, pursuant to a September 4, 1980 Farmout Agreement. When the Mesa Unit Well #1 achieves payout, Wexpro's working interest in the upper formation in subsequently spudded wells will be reduced to 75%.

Under the Mesa Unit Operating Agreement, Wexpro would retain this increased ownership interest from the Lance non-consent until 300% of the drilling, testing and completing costs are recovered in addition to 100% of the operating costs, at which time ownership of the relinquished working interest will revert back to Lance.

This letter applies to only the Mesa wells listed above. Any similar farmouts of non-consent interests will require separate Hydrocarbon Monitor approval after appropriate review.

.....

I agree with the request of Wexpro to elect to take Lance's relinquished non-consent interest in the following Mesa Participating Area "A" wells in accordance with the August 9, 2004 Guideline Letter and recommend approval of this request.

Mesa Unit 9B3-7 Well
Mesa Unit 10A2-7 Well

Mesa Unit 9D3-7 Well
Mesa Unit 10C4-7 Well



David E. Evans
President Evans Consulting Co.

December 4, 2012
Date *DSE*