

**Alta Resources, L.L.C.**

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STATE OIL & GAS BOARD  
OF TEXAS

APR 8 6 2005

REG & ENF

April 5, 2005

Dr. Berry H. Tew  
Oil and Gas Supervisor  
State Oil and Gas Board  
420 Hackberry Lane  
P.O. Box 869999  
Tuscaloosa, AL 35486-6999

STATE OIL AND GAS BOARD  
Exhibit No. J  
Petition By Tepee  
Item No. 35 Date 4-27-06  
Testimony Of R. Grigsby  
Witnessed By R. Blawie

Dear Dr. Tew:

The Tepee Petroleum Co. Alta-Blackstone 10-4 #1 is a proposed 14,200 foot well test targeting the Jurassic Smackover Formation. The location of the well is shown on Exhibit A. The proposed well is a wildcat location. The closest Smackover production is located approximately 3600 feet to the southeast at West Canaan Church Field and 5050 feet to the northeast at Barnett Field. The Tepee Petroleum Co. Alta-Blackstone 10-4 #1 will test a separate and isolated structure between Barnett and West Canaan Church Fields (see Exhibit B). The well location was chosen to test the highest point of the mapped structure. Tepee cannot drill a 160-acre governmental unit consisting of the NW ¼ of Section 30, Township 3 North, Range 7 East because, as shown on the attached map, such unit would include a portion of the West Canaan Church Field-wide Unit.

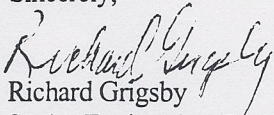
Exhibit C shows, and Tepee recognizes that the proposed 160-acre unit would create "island acreage" between the proposed unit and the West Canaan Church Field-wide Unit. If the proposed well is productive, and the evidence acquired from the drilling of the well indicates that the area of the "island acreage" is productive, then Tepee will petition to enlarge the unit to protect correlative rights and avoid the drilling of unnecessary wells.

Within Section 10, Township 3 North, Range 7 East, the southern boundary of the proposed drilling unit is located approximately 200 feet north of the northern boundary of the West Canaan Church Field-Wide production Unit. The open area between the existing production unit and the proposed drilling unit is of common mineral ownership to both of the above described units.

In a separate permit application, Tepee is requesting an adjacent 160-acre wildcat drilling unit, and if granted, these two applications will allow the testing of two separate geologic structures. If successful, the proposed 160-acre wildcat drilling unit will allow for the development of the State's oil and gas resources.

Please review the accompanying drilling permit application. I appreciate your prompt action on this drilling permit request.

Sincerely,

  
Richard Grigsby  
Senior Exploration Geologist  
Alta Resources, L.L.C.