



Russell Perkins
Drilling Engineer, San Juan
Business Unit

ConocoPhillips Company
3401 East 30th Street
Farmington, NM 87402

Chad Hathaway
Hathaway Burnham
PO Box 81385
Bakersfield, CA 93380

January 27, 2008

Dear Mr. Hathaway:

I am writing this letter to inform you that Hathaway Burnham's directional drilling performance for your five well pilot program performed in the 4th quarter of 2007 was on par with that of the other major directional drilling service companies that ConocoPhillips uses here in the San Juan Basin. Hathaway Burnham's average total rate of penetration for Mesaverde/Dakota s-curve wells was approximately 17% higher than a major competitor. The average cost per foot for Hathaway Burnham's directional services was over 50% less than the competitor (directional invoice amount divided by directional footage drilled).

Our company man on AWS 730 has had very few if any complaints with regard to the performance of your directional drillers. He informed me that he would like to see ConocoPhillips continue to use your personnel when drilling directional wells on AWS 730. Furthermore, we have not had any reported problems with the Hunting motors that you supply to drill our directional wells. The durability and aggressiveness of the Hunting motors has been outstanding thus far. Hathaway Burnham's overall directional drilling performance and efficiency during the 4th quarter was commendable. We look forward to retaining your company to provide directional drilling services on additional s-curve wells in 2008.

Respectfully,

A handwritten signature in black ink, appearing to read "Russell Perkins".

Russell Perkins

RECEIVE

FEB 05 2008

Initial: _____