



THE UNIVERSITY OF TEXAS SYSTEM  
*University Lands*

JAMES HOLTZCLAW  
SR. LANDMAN  
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March 26, 2009

Mr. Don Harvey  
US Energy Corp. of America, Inc.  
P.O. Box 1725  
Roanoke, TX 76262-1725

RE: University Lease 68129  
Block 9, NW/4 Section 31, U.L.  
Andrews County, Texas

Dear Mr. Harvey,

As I stated in the March 12, 2009, letter to you, I had incorrectly stated that the termination date was November 1, 2008. **The correct date is October 1, 2008.** There was no production for October, 2008, and November, 2008. Therefore, the lease termination date is the first month of non-production. There is no longer anything that can be done to, as you say, keep the lease in good standing.

You must not remove any casing or equipment without the written consent of an authorized representative of University Lands. Both wells must be plugged to the satisfaction of University Lands and the Railroad Commission of Texas. This termination does not relieve you of any financial obligations to University Lands. Please file a release in the Andrews County records and furnish this office a legible copy of the recorded release.

Once again I must reiterate, no justifiable fact was presented to this office, and University Lands determined that the lease did indeed terminate as of October 1, 2008. Please contact Jim Buice at 432-686-4778 or myself at 432-686-4753 regarding the plugging or restoration of the premises, if needed.

Thank you for your prompt attention to this matter.

Sincerely,

James Holtzclaw  
Sr. Landman