

Texaco Exploration and Production Inc.  
October 10, 1996  
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2. From a review of your September 23, 1996 application, it is presumed that Texaco is asking for NMOCD approval to "simultaneously dedicate" the CJU Nos. 101 and 106 to the proposed new 320-acre non-standard proration unit consisting of the N/2 Section 18, T-24-S, R-37-E. Please properly verify whether or not "simultaneous dedication" is part of Texaco's application.
3. The CJU No. 106 well is situated at an unorthodox 320-acre Jalmat location consisting of 1980' FNL and 660' FEL Section 18, T-24-S, R-37-E. However, it does not appear that Texaco's application is requesting that the well be approved as an unorthodox Jalmat gas well. Please properly verify whether or not Texaco's September 23, 1996 application is requesting NMOCD approval for the CJU No. 106 well to be produced at an unorthodox 320-acre Jalmat location consisting of 1980' FNL and 660' FEL Section 18, T-24-S, R-37-E.
4. Finally, although we are a CJU working interest owner, Doyle Hartman, Oil Operator has received no gas revenue payments from Texaco corresponding to the CJU for the period of February, 1989 to the present (almost eight (8) years). Section 70-2-18-B, NMSA 1978 states that Texaco, as operator of the CJU, shall be "...liable to account to and pay each owner of minerals or leasehold interest, including owners of overriding royalty interests and other payments out of production, either the amount to which each interest would be entitled if pooling ha[s] occurred or the amount to which each interest is entitled in the absence of pooling, whichever is greater (emphasis added)..."

If Texaco is expecting to receive permission to produce the two subject wells as Jalmat gas wells, when can we expect to be fully paid our substantial unpaid CJU gas revenues, as is required of Texaco, as operator of the CJU, by Section 70-2-18-B, NMSA 1978?

Your prompt response to these questions and requests is respectfully requested.

Yours very truly,

DOYLE HARTMAN

*Doyle Hartman by Linda Lund, Controller*

Doyle Hartman

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