

NORTHWEST PIPELINE CORPORATION

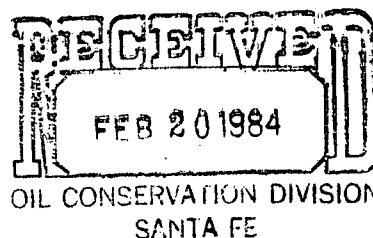
LAND DEPARTMENT

1125 Seventeenth Street, Suite 2140
Denver, Colorado 80202
303-292-4906

February 15, 1984

Dugan Production Corp.
P. O. Box 208
Farmington, New Mexico 87499

Attn: Jerome P. McHugh



Re: Native Son #2
S/2, Section 27
T25N-R2W
Rio Arriba County, New Mexico

Gentlemen:

Enclosed please find one executed Waiver of Objection for downhole commingling of the Basin Dakota and Gavilan Mancos formations in the subject well.

Very truly yours,

A handwritten signature in cursive script that reads "Kathy Michael".

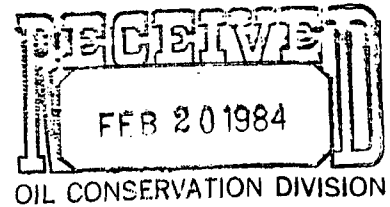
Kathy Michael
Supervisor/Land Department

KM:st

Enclosure - executed copy of Waiver of Objection

cc: Joe D. Ramey w/executed copy of Waiver of Objection ✓

WAIVER OF OBJECTION



The undersigned, as an operator of, or an operating right owner under, a lease or leases offsetting the S/2 of Section 27, Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico, does hereby waive any objection to the application of Jerome P. McHugh for administrative approval of downhole commingling of Basin Dakota and Gavilan Mancos production in the wellbore of the Native Son #2 Well located in the SE/4 of the SW/4 of Section 27, Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

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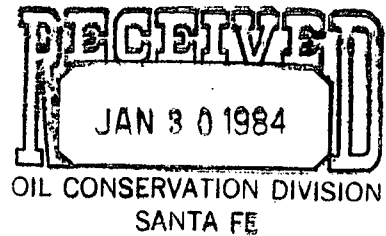
By: _____

F. J. Becraft

Title: Vice-President

Date: _____

Please send one executed copy to the attention of Joe D. Ramey, Division Director of the New Mexico Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico, 87501, and return one executed copy to Jerome P. McHugh at P.O. Box 208, Farmington, New Mexico, 87499. Keep the remaining copy for your files.



WAIVER OF OBJECTION

The undersigned, as an operator of, or an operating ~~rights owner~~ under, a lease or leases offsetting the S/2 of Section 27, Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico, does hereby waive any objection to the application of Jerome P. McHugh for administrative approval of downhole commingling of Basin Dakota and Gavilan Mancos production in the wellbore of the Native Son #2 Well located in the SE/4 of the SW/4 of Section 27, Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

SOUTHLAND ROYALTY COMPANY

By: CC Parsons

Title: District Production Manager

Date: January 26, 1984

Please send one executed copy to the attention of Joe D. Ramey, Division Director of the New Mexico Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico, 87501, and return one executed copy to Jerome P. McHugh at P.O. Box 208, Farmington, New Mexico, 87499. Keep the remaining copy for your files.