

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

May 16, 1989

New Mexico FJ State Well No. 1
1650 Ft. FSL and 990 Ft. FEL
Section 32, T20S, R33E,
Lea County, New Mexico

James McClelland
Strata Production Co.
648 Petroleum Bldg.
Roswell, N.M. 88201

Dear Mr. McClelland:

By letter dated April 26, 1989 you advised that Strata Production Co. would not object to Exxon drilling at the captioned unorthodox location provided that Strata is sent full copies of all data and information obtained in the drilling and completion of this well. Exxon's proposed well location is 990' (compared to a 660' minimum distance) from the common property line between Exxon's lease and the Strata Production Co. lease which offsets Section 32 to the east. Since Exxon's proposed well is not unorthodox with respect to the Strata Production Co. acreage, we do not believe Strata will be adversely affected in any way. Therefore, Exxon will only agree to provide Strata with copies of non-confidential information filed with the NMOCD.

Sincerely,



Charlotte Harper
Permits Supervisor

CHH:dkh

c: Jerry Sexton, Director
c/o New Mexico Oil Conservation Division
District 1
Box 1980
Hobbs, N.M. 88240