

NM-68823  
3162 (067)

APR 16 1993

~~Knox Industries, Incorporated~~  
Attention: Mr. Bruce L. Groce  
P. O. Box 3023  
Midland, TX 79702

*DA 1-866*

Re: ~~Well No. 2-Federal 3C~~  
NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Sec. 3, T9S, R35E  
Lea County, New Mexico  
Federal lease NM-68823

Gentlemen:

Your request to ~~downhole commingle~~ Abo and Bough C oil production from the subject well is hereby approved.

As stated in your application, production will be allocated to the Abo and to the Bough C based on the production history of the Abo from September 1, 1991 through August 31, 1992. Also, it is our understanding that commingling is based on economics and will not result in reduced royalty.

This approval is subject to the concurrence of the New Mexico Oil Conservation Division.

Please contact Shannon Shaw or Adam Salameh at (505) 887-6544, or at the letterhead address if any further information is required.

Sincerely,

**/s/ Gary Bowers**

FOR Richard L. Manus  
Area Manager

bcc:  
NM (065, B. Lopez, D. Glass)  
NM (067, A. Salameh; E. Inman)  
NM (067A, K. Haston)

NMOCD - Attn.: Mr. D. R. Catanach  
P. O. Box 2088  
Santa Fe, NM 87504