

May 13, 1986

Sun Exploration and Production Company

No 24 Smith Road ClayDesta Plaza PO Box 1861 Midland TX 79702 9970 915 688 0300

Mr. David Catanach New Mexico Oil Conservation P.O. Box 2088 Santa Fe, New Mexico 87501

Re: State Land 76 Lease

Well No. 3

North Anderson Ranch Wolfcamp

Unit Ltr. I, Sec. 2, T-16-S, R-32-E

Lea County, New Mexico

Dear Mr. Catanach:

Sun Exploration and Production Company received approval to surface commingle the North Anderson Ranch-Wolfcamp and the North Anderson Ranch-Cisco Canyon pools into a common tank battery on the State Land 76 lease. The commingling order PC-706 states that the NMOCC in Santa Fe be notified of any well in the commingled battery that is capable of top allowable.

This letter is notification that the referenced well is a top allowable well and is being commingled into the battery per Order PC-706. If you have any questions or need additional information, please contact me at (915) 688-0374.

yours truly,

Dee Ann Kemp

Associate Accountant

Attachment: Order PC-706