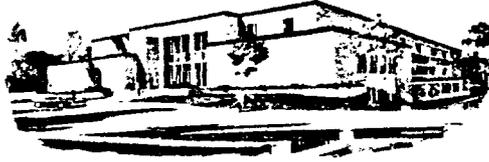


State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

Zia Energy, Inc.  
Attn: Mr. Don Bratton  
P. O. Box 2219  
Hobbs, New Mexico 88240

Re: Request to Surface Commingle  
Production on Lease No. B-934

Gentlemen:

Reference is made to your letter dated October 17, 1988, requesting approval to surface commingle the production from the New Mexico "M" State Lease Nos. 48 and 49. It is our understanding that the Well No. 48 is producing from the Blinbry tubb, and drinkard pool and the well No. 49 is producing from the Southwest Eunice San Andres Pool.

You are hereby given approval to the above request, however, the Commissioner of Public Lands reserves the right to amend or withdraw this approval at his discretion if it is against the best interest of the State of New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your approval.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm  
encls.  
cc: OCD