

Colonial Production Company
900 N.E. Loop 410 #D-119
San Antonio, Texas 78209

December 1, 1981

Mr. Joe Ramey
Energy & Minerals Dept.
Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

I would like to apply for permission to co-mingle gas from two (2) gas wells, from the same pictured cliffs formation, before it is measured.

The two wells in question are the:

Jicarilla Apache #9
A Sec. 15-T23N-R4W

→ Jicarilla Apache #10
C Sec. 15-T23N-R4W

They are both on the same Jicarilla Contract # 398.

These two have already been tied in and producing together since 8/31/81. I did not realize that we were required to get permission from your office.

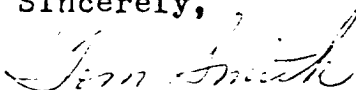
On producing these wells together through a compressor, I determined that approximately 2/3 of the production comes from the #9 and approximately 1/3 from the #10.

If there are any further questions, please contact:

T.J. (Tom) Smith
Smith Production Service
P.O. Box 1618
Farmington, New Mexico 87401

I am the Contract Area Lease Supervisor for Colonial Production Company.

Sincerely,



Tom Smith
Smith Production Service



TS/ds