EXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT SOUTHWEST/ROCKY MOUNTAIN DIVISION

January 20, 1986

Downhole Commingling of N.M. "V" State #6 Lea County, New Mexico

Southland Royalty Company 21 Desta Dr. Midland, TX 79705

Gentlemen:

Aztec Energy Corporation has informed us that Southland Royalty Company now holds what were their leases offsetting our N. M. "V" State Lease in Lea County, New Mexico. By copy of our previously submitted applications, we are informing you as an offset operator of our proposal to downhole commingle production in the captioned well.

Yours truly,

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James D. Howell

JDH:djc

Certified Mail

c: w/o Attachment Mr. David Catanach New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87501

> District I New Mexico Oil Conservation Division P. O. Box 1980 Hobbs, NM 88240