

April 6, 2004

JTD Resources, LTD  
P.O. Box 3422  
Midland, Texas 77002

2005 APR 7 AM 11 45

James Bruce – Attorney At Law  
369 Montezuma Ste. 213  
Santa Fe, New Mexico

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

RE: JTD Compulsory Pooling Application  
Case No. 13465  
W/2 Section 11, T25S, R28E  
Eddy County, New Mexico

WJS 4/7/05

Gentlemen:

EL Paso Production Oil & Gas USA, LP as the successor to El Paso Natural Gas Company received a letter post marked March 17, 2004 from JTD's Counsel Mr. James Bruce regarding a Conversation Commission Hearing scheduled for April 7, 2005 covering El Paso's leasehold interest in the spacing unit captioned above. Mr. Bruce informs me that this scheduled hearing is deferred, although El Paso has not received formal notice of the deferral.

In any event, this letter will serve as notice of El Paso's intent to commit its undivided leasehold interest in the spacing unit captioned above pursuant to the general terms and conditions proposed in JTD's letter to El Paso dated February 10<sup>th</sup>, 2005.

In accordance with this election to Farmout its interest, El Paso respectfully requests that any compulsory pooling action against its interest in the captioned lands be withdrawn and no order be approved affecting El Paso's interest. A formal Farmout Agreement will be prepared by El Paso and submitted to JTD for its review and approval.

Please call if you have any questions regarding this matter.

Very truly,  
El Paso Production Company



Paul H. Dowden  
Principal Landman

Cc: Chad Shaw

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