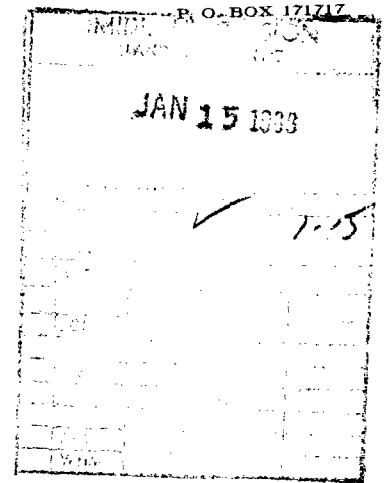


COATES ENERGY TRUST

ENERGY PLAZA II, SUITE 510
8610 N. NEW BRAUNFELS
SAN ANTONIO, TEXAS 78217

(512) 820-0113

January 14, 1988



Texaco Producing Inc.
P. O. Box 3109
Midland, Texas 79702

Attention: Mr. Curtis D. Smith

Re: East Lovington Unit
State "P" Well No. 13
T-16-S, R-37-E
Lea County, New Mexico

CDS 1-15

Gentlemen:

Please be advised that Coates Energy Trust and Elizabeth H. Maddux agree to the change of location for the captioned well to 1350' FSL and 2410' FEL of Section 32.

Yours very truly,

COATES ENERGY TRUST

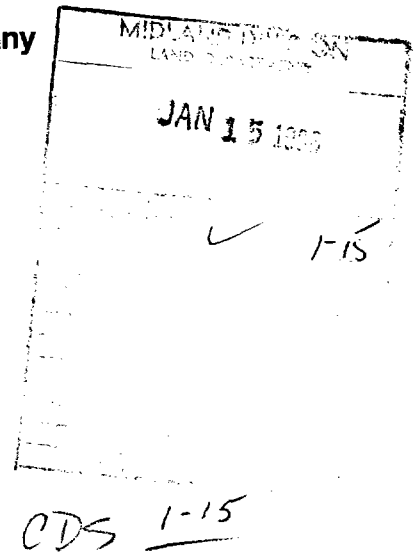
Margie Gormley

Margie Gormley
Land Department

BEFORE EXAMINER CATTANACH	
OIL CONSERVATION DIVISION	
<u>TEXACO</u>	EXHIBIT NO. <u>3</u>
CASE NO.	<u>9300</u>

Hondo Oil & Gas Company

Box 2208
Roswell, New Mexico 88202
(505)625-8700



January 14, 1988

FEDERAL EXPRESS

Texaco Producing, Inc.
500 North Loraine St.
Midland, Texas 79701

Attention: Mr. Curtis Smith

Re: Unorthodox Well Location
1350 FSL & 2410 FEL (Unit J)
Township 16 South, Range 37 East
Section 32
Lea County, New Mexico
AR-7620

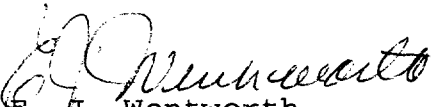
Gentlemen:

Reference is made to your application to the New Mexico Oil Conservation Division for an unorthodox oil well location for a Strawn test, 1350 FSL & 2410 FEL, Section 32, Township 16 South, Range 37 East, Lea County, New Mexico.

Hondo Oil & Gas Company supports your application for this unorthodox oil well location.

If you need anything further in this regard, please advise.

Very truly yours,


E. U. Wentworth
Division Land Manager

EJW/ic