RECENT

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PRODUCTION CORP.

415 WEST WALL, SUITE 900 MIDLAND, TEXAS 79701-4468 (915) 682-7992

January 29, 1990

Oil Conservation Division State Land Office Building Old Santa Fe Trail Santa Fe, New Mexico 87504

Attn: Michael E. Stogner

RE: AMENDED C-102 Shugart State Com. #1 Well S/2 of Section 16, T-18-S, R-31-E, N.M.P.M., Eddy County, New Mexico

Dear Mr. Stogner:

Enclosed is an amended C-102 form for the above referenced well. Said well was originally dedicated to a 320 acre proration unit comprised of the W/2 of Section 16. The original Communitization Agreement dated January 15, 1979 has been terminated and a new Communitization Agreement, dated October 1, 1989, covering the S/2 of Section 16 has been approved by the Commissioner of Public Lands on December 4, 1989.

Please let me know if you have any questions or comments.

Sincerely,

TXO_PRODUCTION CORP.

Richard H. Coats Landman

RHC/1c Enclosure

Drawer DD Artesia, New Mexico 88210