Ph. 505-622-1299



BUREAU OF LAND MANAGEMENT Carlsbad Resource Area P.O. Box 1778 Carlsbad, New Mexico 88220-1778

Attn: Mr. Tony Harrell, Mining Section

Re: Proposed Oil Tests Potash Area

Gentlemen:

During our discussion of August 21, 1992, you advised that one or more shallow 2000' oil tests could be drilled within the W/2 of Sec.23, T.19S., (R.31E) as indicated by the highlighted portion of the attached map. (R.30E)

Union Oil Company of California, lessee of Federal lease NM 4350, has requested confirmation from the Bureau of Land Management that the Operator, Spence Energy Company, would be allowed to drill within the highlighted portion.

Please confirm your concurrence in the space provided below. Return one signed copy to:

SPENCE ENERGY COMPANY 381 Two Energy Square 4849 Greenville Ave. Dallas, Texas 75206 Attn: Robert B. Miller, Land Manager

Thank you for your prompt attention to this request.

Sincerely yours, RRY W LONG

Permit Agent for: SPENCE ENERGY COMPANY

I concur this 8 day of September 1992:

LAND MANAGEMENT BUREAU, ∕OF By:

Title: MINE ENGINEER