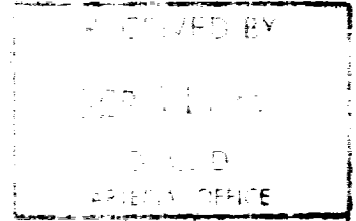


Baruch-Foster Corporation

1160 ONE ENERGY SQUARE
4925 GREENVILLE AVENUE
DALLAS, TEXAS 75206
214/368-5886



September 9, 1985

El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas 79978
ATTN: Mr. W. G. Beadle, Manager

Re: Gas Commingling
Little Jewel No. 1
South Carlsbad Field
Morrow & Strawn
Eddy County, New Mexico

Gentlemen:

The New Mexico Oil Conservation Commission authorized surface commingling of the gas production from these reservoirs on August 22, 1985. Production is to be allocated between zones based on bi-annual well tests. The initial allocation should be 53% to Morrow and 47% to Strawn. Commingling of production began on September 6, 1985 at 8:00 a.m. MDT. The above split will apply through February, 1986.

Yours very truly,

BARUCH-FOSTER CORPORATION

J. F. Ellebracht
Vice-President
Production

JFE/ld

cc: NMOCC Division✓
P.O. Drawer DD
Artesia, NM 88210

Page Greene
Kirk Morgan
Terri Brubaker