Belco Petroleum Corporation

June 6, 1974

Belco

John R. Joyce, II P. O. Box No. 356 Carlsbad, New Mexico

> Re: Avalon Area Belco Lease #7412-023 John R. Joyce, II, et al Eddy County, New Mexico

Dear Mr. Joyce:

This will confirm the agreement made with you by our representatives on June 5, 1974, relating to the drilling of the John Joyce Com #1 well at the following location:

> 1790' FWL; 2307' FNL of Section 5, T22S, R27E, Eddy County, New Mexico,

which location is approximately 450' from your residence and which location is a standard location so far as the regulations of the State of New Mexico are concerned.

You have agreed, and by execution hereof, acknowledge that you are fully aware of the location as herein described and as shown to you on the ground by our representatives on June 5, 1974; and hereby agree that there are no objections by you or any of the co-owners of the lands on which you reside, to this location and the drilling of the aforesaid well.

Please acknowledge your agreement hereof by signing and dating in the appropriate place and returning one copy of this letter.

Yours very truly,

BELCO PETROLEUM CORPORATION

ance L. Schneider, Jr.

Land Manager

ACCEPTED AND AGREED TO THIS 746 day of 5242, 1974.

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John R. Joyce, II Individually and on behalf of Elizabeth P. Joyce, John F. Joyce, II, dba J. F. Joyce, II and Co.; Marilyn T. Joyce Spurr and Benjamin M. Spurr.