



Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Conoco Inc.
P. O. Box 460
1001 North Turner
Hobbs, NM 88240
(505) 393-4141

Gentlemen:

Re: *Federal 14 Com No. 1 and Penny Federal Com No. 2 - electrical power access*

This refers to Form 9-331-C, Application to Drill, Deepen or Plugback, and/or Surface Use Plan accompanying this letter. The undersigned hereby states that he has personally notified Lloyd Foster, the owner of the surface estate on which the work is to be conducted, of the nature and extent of the work to be done including construction on the well site and pertinent roads and powerlines (if any) thereto. The undersigned further states that if the parties are unable to agree upon proper compensation for damage to the surface estate, work will proceed as proposed and negotiations will continue in an attempt to arrive at a mutually agreeable compensation.

It has been agreed, subject to change at that time, that upon abandonment of operations the road and location will be (ripped, left intact). Pits will be leveled and the area cleaned.

P. E. De Lee 1-11-82

State of New Mexico
County of Lea

Subscribed and sworn to before me this 11th day of January,
1982.

Coal O. Yarbrough
Notary Public

My Commission Expires 4/11/84.