



TENNECO OIL COMPANY • P. O. BOX 1031 • 1800 WILCO BUILDING • MIDLAND, TEXAS 79701

October 11, 1964

Dear Mr. J. W. Williams:

Re: Commingling of Production
Black Stream Field
Lee County, New Mexico

Enclosed herewith is a copy of the Amendment to Commingling Production Agreement dated April 7, 1964. The original agreement covered production from the NW 1/4 of Section 6, T-13N, R-32E. This amendment is to provide for the inclusion of tracts 6, 7, 8, and 9 of the NW 1/4 of Section 6, and the NE 1/4 of Section 7. Wells are currently being drilled in each of these tracts and will be completed approximately December 1. In order to begin production from these wells upon completion with no delay, you are respectfully requested to expedite signing these copies of the amendment and return same promptly to Tenneco Oil Company in the enclosed signed envelopes. A fully executed copy will be returned to you by mail.

The advantages to all working interests owners are illustrated in the attached table showing the relative economic of a multi-well battery compared to single well behavior. This method also allows installation of a vapor recovery unit which provides additional income to royalty interest and working interest owners.

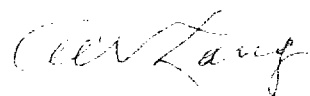
Improving recovery is being achieved and will be circulated to the working interest owner in an early report. Basically, this agreement will provide for the joint ownership of the tanks, GSE unit, lines, and other production equipment for a share of the oil costs required to determine individual lease production to be owned and operated on a cost-based combination basis. All production separation equipment and controls are shared with all owners with all lease equipment owned by the individual lease owner. Any income from the facility, such as from stock tank vapor sales, will be allocated to the individual leases on the same basis as oil production.

TENNECO OIL COMPANY

In our group, construction and maintenance of the equipment is urgently requested.
Should you have any questions or need any additional data, please contact
Mr. J. B. Green at our office.

Yours very truly,

CLIFFORD W. LEECH



J. B. Green
District Engineer, Tennessee

CC:J.B.G.

Enclosure