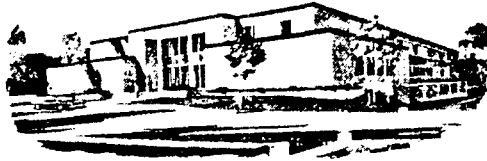


State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

BCO, Inc.  
Attn: Ms. Elizabeth B. Keeshan  
135 Grant  
Santa Fe, New Mexico 87501

*FILE-OLS-*

Re: Off-Lease Storage Change  
Lease No. V-2258 State J-1 Well  
Sec. 16-23N-7W  
Rio Arriba County, New Mexico

Gentlemen:

This office acknowledges receipt of your letter of November 2, 1988, advising us that the storage tank and separator for the State J Well No. 1-A has been moved from (Off-Lease Location) Section 10 back on lease and is now currently in Section 16-23N-7W.

Please be advised that the Commissioner of Public Lands rescinds our approval of November 3, 1987 for Off-Lease Storage in Section 10 and approves the movement of the storage tank and separator to Section 16 on Lease No. V-2258. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

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cc: OCD