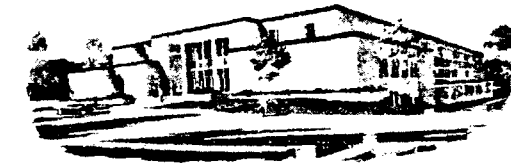


State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

March 6, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Daniel S. Nutter
105 East Alicante
Santa Fe, New Mexico 87501

Re: Hamon Oil Company
Off-Lease Storage, LG-2484 Lease
State LG-2484 Well No. 1
NE/4NW/4 Sec. 36-18S-33E
Lea County, New Mexico

Dear Mr. Nutter,

Reference is made to your letter dated February 22, 1985, wherein on behalf of Hamon Oil Company, you have requested our approval for the off-lease measurement and storage of EK-Bone Spring production from the State LG-2484 Well No. 1 located on State Lease No. LG-2484 in a tank battery to be located on State Lease No. V-697.

You are hereby given approval to the above request. All hydrocarbon production, both gas and oil, should at all times be isolated, and there shall be no commingling of the hydrocarbon production between leases until after being sold. The Commissioner of Public Lands reserves the right to amend or withdraw this approval at his discretion if it is against the best interest of the State of New Mexico.

Your filing fee in the amount of Thirty Dollars has been received.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
OGAD-Santa Fe, New Mexico
Lease No. LG-2484
Lease No. V-0697