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DELIVERED BY HAND

January 6, 1994

David Catanach
Oil Conservation Division
State of New Mexico
Santa Fe, NM 87501

Re: Application for Approval of Allocation of Production

Gracia Navajo 5-K No. 2 and Gallegos Com No. 5 Sec. 32, T25N, R11W, San Juan County, NM

Dear David:

Pursuant to our telephone conversation this morning, enclosed please find a copy of the above-referenced application which was revised on December 6, 1993 pursuant to telephone discussions with Frank Chavez. Also enclosed for your reference is a copy of Mr. Chavez' recommendation concerning this application.

It would be appreciated if you would please telephone me when you have completed your review of the application and an order has been signed, so that I can pick up a copy of the order.

Thanks for your assistance.

Very truly yours,

PRO NEW MEXICO, INC.

By

Jolene Dicks

Contract Representative

Enclosures