

FALCON CREEK RESOURCES, INC.

621 17th Street, Suite 1800, Denver, Colorado 80293-0621 (303) 675-0007 (303) 675-0008 Facsimile

August 13, 1998

Laguna Gatuna, Inc.
P.O. Box 2158
Hobbs, NM 88241

RE: Application for Authorization to Commingle at the Surface
Conoco State Lease and BF State Lease
West Teas Yates & Seven Rivers
Battery Location at "G" Section 16, T20S, R33E
Lea County, New Mexico

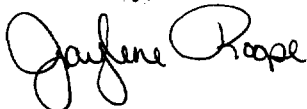
Case 12141

To Whom It May Concern:

Please find enclosed for your review a copy of our Application to Commingle at the Surface. We request that you execute this letter signifying your waiver to any objection for the surface commingling of said leases.

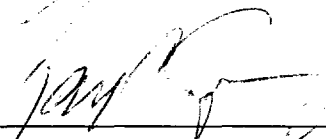
Please route an executed copy of this letter to the New Mexico Oil Conservation Division at P.O. Box 1980 Hobbs, NM 88241-1980. Thank you for your cooperation in this matter.

Sincerely,



Jaylene Roope
Sr. Operations Technician

We hereby waive any objection to Falcon Creek Resources, Inc.'s Application to Commingle at the Surface the captioned leases.

By: 
Title: _____
Print Name: Barbara C. Smith
Date: 8-15-98