EXON COMPANY, U.S.A.

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EXPLORATION DEPARTMENT WESTERN DIVISION

J B THOMAS LAND ASSOCIATE EXPL. & DEVEL.

December 11, 1989

AB-89-0218 (R) SE/4 Sec. 16 T17S-R31E Eddy County, New Mexico

Pacific Enterprises Oil Co. (USA) Attn: Mr. M. Craig Clark Southwest Region 200 N. Loraine #400 P. O. Box 3083 Midland, Texas 79702-3083

Gentlemen:

Exxon respectfully declines your request to enter into a farmout in Section 16, T17S-R31E located in Eddy County, New Mexico, as proposed in your letter dated November 7.

We appreciate your request and hope the future will hold some mutually beneficial opportunities.

Yours very truly,

(915) 683-0236

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