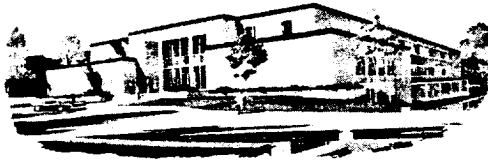


State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

April 8, 1983

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

RECEIVED

APR 11 1983

O. C. D.
ARTESIA, OFFICE

REGISTERED, RETURN, RECEIPT, REQUESTED

Pace Exploration Co.
P. O. Box 588
Artesia, New Mexico 88210

Re: State of New Mexico Oil & Gas Lease No. LG-158
(Barnburner No. 2 Well Located Unit Letter D,
Section 16, Township 8 South, Range 26 East)

Gentlemen:

You are hereby given thirty (30) days from the date of this letter to make arrangements with the Oil Conservation Commission (Artesia District) to conduct forty-eight (48) hour production test or a gas oil ratio test whichever is deemed necessary by Mr. Les Clements of the Oil Conservation Division to determine if the captioned well is capable of production of oil or gas in paying quantities as provided for in the oil and gas lease contract. The operator will furnish all the necessary equipment to conduct such tests. Failure to comply with the aforesaid requirement will result in termination of the lease contract without further notice.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

Floyd O. Prando

BY: Floyd O. Prando, Assistant Director
Oil and Gas Division
AC/505-827-5744

JB/FOP/cb

cc: Pennzoil United, Inc.
Oil Conservation Division