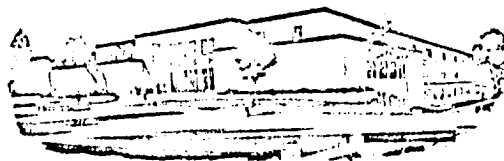


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State of New Mexico



Commissioner of Public Lands

March 17, 1971

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Apache Corporation
1720 Wilco Building
Midland, Texas 79701

Re: Blond State Com Well No. 1
SW/4, Sec 32-T8S-R35E
Roosevelt County, New Mexico

ATTENTION: Mr. J. W. Manaugh

Gentlemen:

The Commissioner of Public Lands hereby tentatively approves the Communitization Agreement covering the SW/4 of Section 32, Township 8 South, Range 35 East, Roosevelt County, New Mexico. Formal approval will be granted upon the completion of a well capable of producing in commercial quantities.

The formal approval upon the completion of the well will be retroactive to January 30th, 1971.

Please change your Exhibit "A" to show the assignment number on State Lease K-1371. It should be K-1371-1.

Sincerely yours,

GORDON G. MARCHUM, II, Director
Oil and Gas

AJA/GGM/s