

Tenneco Oil
Exploration and Production
A Tenneco Company

7990 IH 10 West
San Antonio, Texas 78230
(512) 366-8000



Southwestern Division

April 19, 1984

Mr. Randy G. Patterson,
Land Manager
Yates Petroleum Corporation
207 South Fourth Street
Artesia, NM 88210

RE: State 20, Well No. 3
Unit C, Sec 20, T14S, R34E
Lea County, New Mexico

Dear Mr. Patterson:

Tenneco Oil Company ("Tenneco") has removed all pipe and equipment from the above captioned lease of which we claim ownership. It is our understanding that Yates Petroleum will now file a C-104 with the State of New Mexico and assume plugging and abandonment responsibility. Please provide Tenneco with a copy of the C-104.

By the execution hereof, you agree to indemnify and hold Tenneco harmless from all liability and damages that may arise from the continued operation and plugging of the State 20 Well No. 3.

Sincerely,

Anita Gray
Production Analyst

cc: Oil Conservation District
P. O. Box 1980
Hobbs, NM 88240

Accepted and agreed to this _____ day of _____, 1984.

RAM/AG/mg/1924