

POLARIS PRODUCTION CORP.

OIL & GAS PRODUCERS

415 WEST WALL STREET, SUITE 2010
MIDLAND, TEXAS 79702

DAVIS PAYNE
PRESIDENT

October 27, 1995

TELEPHONE 915-684-8248
REPLY TO: P. O. BOX 1749

District Director
Oil Conservation Division, District I
P. O. Box 1980
Hobbs, New Mexico 88240

Re: Denton Devonian Pool
Proration Unit Assign-
ments.

Dear Sirs:

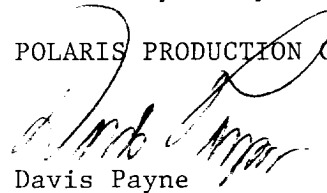
This is to acknowledge our Farm-out Agreement with Collins & Ware, Inc. of July 10, 1995, wherein they are entitled to the Proration Unit that is currently assigned to our Priest No. 1 Well, Unit E, Section 1, T-15-S, R-37-E, Lea County, New Mexico. This Well is shut-in and will not be produced.

Further, the subject Proration Unit is the forty acres that is the Southwest Quarter of the Northwest Quarter of Section 1, T-15-S, R-37-E, and is limited to the Devonian Formation and the Denton Devonian Pool Field Rules.

Please assign Collins & Ware, Inc. the aforementioned Proration Unit pending successful completion of a well in this proration unit.

Yours very truly,

POLARIS PRODUCTION CORP.


Davis Payne

DP/d

cc: Collins & Ware, Inc.
508 W. Wall Ave., Suite 1200
Midland, Texas 79701

