



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 383-6161

March 26, 1997

Jeff Dethrow
Altura Energy Ltd.
P. O. Box 4294
Houston, Texas 77210-4294

Re: Lact Unit (C-106)

Dear Mr. Dethrow:

As discussed in our conversation this date, it is necessary to submit a C-106, for approval for Texas New Mexico Pipeline Company to meter the production from the Hoover 32 Lease.

As requested, on March 25, 1997, I granted verbal permission for Texas New Mexico Pipeline Company to use the Lease Automatic Custody Transfer Equipment, currently in place on the Hoover 32 Well No. 1 located in Unit H of Section 32, Township 17 South, Range 35 East, for a period of two weeks.

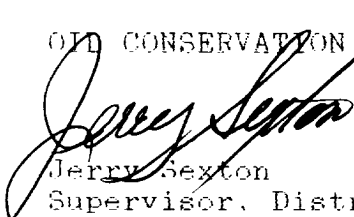
You are required to shut in this well if the C-106 has not been received and approved by April 8, 1997.

In addition to faxing Form C-106, the letter from T-NM PL confirming that they will utilize the lact unit, and a copy of Division Rule 309-A, we are enclosing copies of the same in this letter.

If you have any questions, please feel free to call.

Very truly yours

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District I

JS:bp

File

Enclosure

I-870
Lact #