

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

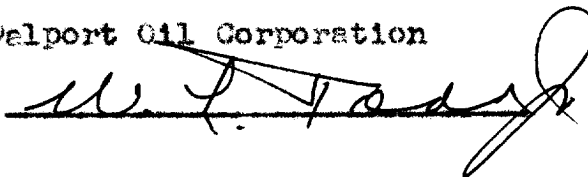
Re: John M. Kelly Application  
for Non-Standard Gas Proration  
Unit on his Phillips State  
Well No. 1, Section 12,  
T-19-S, R-36-E, Eumont Gas  
Field, Lea County, New Mexico

Gentlemen:

We have been advised that John J. Kelly has requested approval of a non-standard gas proration unit to be allocated to his Phillips State #1 located 660' from the South and East lines of Section 12, Township 19 South, Range 36 East, Eumont Field, Lea County, New Mexico. It is our understanding that the non-standard unit consists of the S/2 Section 12, Township 19 South, Range 36 East containing 320 acres.

You are respectfully advised that we hereby waive notice and hearing as to the said application on the above described non-standard gas proration unit.

Delport Oil Corporation

A handwritten signature in dark ink, appearing to read "W. L. Taylor", is written over a horizontal line. The signature is stylized with a large loop at the end.