TEXACO

August 16, 1979

NEW MEXICO "C" STATE

It should be noted that Well #3 will be a replacement well for Well #2 in the upper zone only. Well #2 will continue to produce in the lower zone as a oil well. The proration acreage for Well #3 is 158.68; 78.68 acres of this being the State of New Mexico "G" lease and 80 acres being the State of New Mexico "F" lease, which exists a Pooling Acreement the order of approval #5968. .:

RECEIVED AUG & 1 1573 O.C.D. HOBBS, OFFICE

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