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October 10, 1996

Texaco Exploration and Production Inc.
Hobbs Operating Unit
205 E. Bender Blvd.
Hobbs, NM 88240

Attn: Paula S. Ives
Engineer Assistant

Texaco Exploration and Production Inc.
500 N. Loraine (79701)
P.O. Box 3109
Midland, TX 79702

Attn: S.M. Schlaffer
Business Support Manager

Re: Texaco's Application for a 320-acre Jalmat NSPU
Cooper Jal Unit Nos. 101 and 106
N/2 Section 18, T-24-S, R-37-E
Lea County, New Mexico

Gentlemen:

Reference is made to Texaco's application enclosed herewith dated September 23, 1996 (received by us on September 30, 1996), which requests NMOCD approval for a 320-acre non-standard Jalmat Gas Proration Unit for the Texaco-operated Cooper Jal Unit Nos. 101 and 106 wells. As both a CJU working interest owner, and also as an offset Jalmat operator, before we grant our approval of Texaco's application and proposed work corresponding to the CJU Nos. 101 and 106 wells, we have several questions and requests concerning the subject application and proposed work.

1. Your letter and application to the NMOCD states that the CJU Nos. 101 and 106 wells are "...currently shut-in Langlie Mattix producers not economical to produce (emphasis added)..." Based upon this statement, it appears that Texaco's application pertains to the future recompletion of both wells from the Langlie Mattix Pool to the Jalmat Pool. In the event future approval of the subject application is obtained from the NMOCD, and upon commencement of Texaco's proposed recompletion work, as a CJU working interest owner, we hereby ask that Texaco furnish us with all daily workover reports, well logs, well test, production, and pressure data, and NMOCD filings corresponding to the recompletion of the CJU Nos. 101 and 106 wells from the Langlie Mattix Pool to the Jalmat Pool.