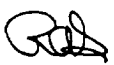


PRIME OPERATING COMPANY

MEMORANDUM

TO: Michael Stogner, NMOCD - Santa Fe
cc: Donna Pitzer-NMOCD - Hobbs

FROM: Runell Seale, Midland 

DATE: May 15, 1995

RE: Wells B-1 #7
Sec 1, T-25S, R-36E
Lea County, NM
Non Standard Proration Unit

In regards to our application for a non-standard proration unit for the Wells B-1 #7, we would like to have the #7 well share with the #4 well in a 240 acre proration unit consisting of Unit Letters G, H, I, J, O & P (see attached plat).

Please note that wells #1, 3 & 6 are oil wells and have the 40 acres upon which they are located dedicated as their proration unit (see attached plat).

I hope that this will clarify our request for proration unit assignments. If you have any questions, or need additional information, please contact me @ (915) 682-5600. Thank you for your attention to this matter.