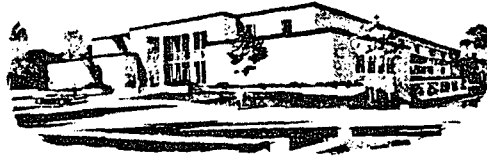


State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-489

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

October 13, 1987

Chevron U.S.A. Inc.
ATTENTION: Mr. R. C. Anderson
P. O. Box 670
Hobbs, New Mexico 88240

Re: Application to Downhole Commingle
Chevron's Lea ACL State Well No.
1 located in Unit B Section 36-
T22S-R37E, Lea County, New Mexico

Gentlemen:

Reference is made to your letter dated September 14, 1987 wherein you have requested our approval to downhole commingle production on State of New Mexico Lease No. V-1097. The Lea ACL State Well No. 1 is located 600' FNL and 2080' FEL of Section 36 Township 22 South, Range 37 East. It is our understanding that you will commingle production within the subject wellbore from the Blinebry and Brunson South Abo Pools.

You are hereby given approval to the above request. This approval is subject to being withdrawn at the discretion of the Commissioner of Public Lands, if in his opinion, the operation proves to be unsound or otherwise against the best interest of the State of New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please submit a filing fee in the amount of Thirty (\$30.00) Dollars.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *F. O. Prado*

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm

cc: OCD-Santa Fe, New Mexico Attention: Mr. David Catanach
State Lease No. V-1097
OGAD-Santa Fe