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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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January 14, 2009

BC Operating, Inc.
P.O. Box 50820
Midland, Texas 79710

Attention: Ms. Pam Botkin

Re: Surface Commingling
Angell #1 (30-025-37902)
Angell #2 (30-025-39076)
Sec. 11-17S-36E Lease # V-7658
Lea County, New Mexico

Dear Ms. Botkin:

We are in receipt of your application of November 12, 2008 requesting our approval for surface commingling of the Lovington Paddock production from the above captioned wells.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico, as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

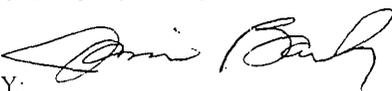
Our approval does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Please submit a filing fee in the amount of \$30.00.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS



BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/pm

cc: Reader File
OCD-Attention: Ed Martin

-State Land Office Beneficiaries -

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