



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER PC-739

Chevron USA, Inc.
P.O. Box 670
Hobbs, NM 88240

Attention: R.C. Anderson

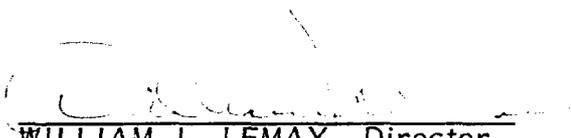
Lease Name: Lea "YH" State Lease

Description: SE/4 Section 25, Township 18 South, Range 34 East,
NMPM, Lea County, New Mexico

The above-named company is hereby authorized to commingle Airstrip Wolfcamp and Airstrip Bone Spring pool production in a common tank battery and to determine the production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled batter becomes capable of top production, at the time the Division will amend this order or take such other action as may be appropriate.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

DONE at Santa Fe, New Mexico, on this 8th day of March, 1988.


WILLIAM J. LEMAY, Director

WJL/DRC/ag