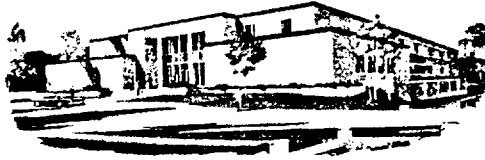


State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-635

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

December 30, 1987

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

Re: Surface Commingling State
Lease No. LG-5543, Lea YH Lease
SE/4 Section 25-18S-34E
Lea County, New Mexico

Gentlemen:

Reference is made to your application dated December 14, 1987, wherein you have requested approval for Surface Commingling the Airstrip Wolfcamp production from the Lea YH State Well No. 1 with the Airstrip Bone Springs production of the Lea YH State Well Nos. 1, 2, 3, and 4 located in the SE/4 of Section 25, Township 18 South, Range 34 East, Lea County, New Mexico. It is our understanding that the calculated revenue from the commingled production is approximately 27 cents per day more than the total revenue from the individual pools.

You are hereby given approval to the above request. Any deviation from your proposed request will be reason to rescind our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please remit your filing fee in the amount of Thirty (\$30.00) Dollars.

Very truly yours,

WILLIAM R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 

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

WRH/FOP/pm
encls

cc: OCD-Santa Fe, New Mexico ATTN: DAVID CATANACH
TRD-Santa Fe, New Mexico
LG-5543