

**LANEXCO, INC.**  
**P. O. BOX 1206**  
**JAL, NEW MEXICO 88252**

**505/395-3056**

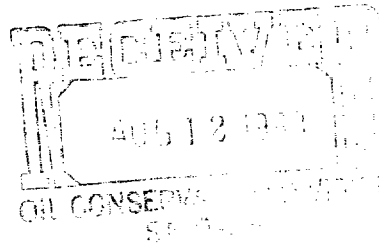
August 9, 1988

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87501

RE: CERRO COM NO. 1 Dual  
Section 11, T-23-S, R-27-E  
EDDY COUNTY, NM

ATTN: Mr. william J. LeMay

Mr. LeMay,



LANEXCO, INC. respectfully requests approval to surface commingle the oil on the above referenced lease. As you are aware it was recently recompleted as a dual well.

Currently we have two oil storage tanks on location, but feel it will not be large enough storage unless we can tie the tanks together. The interest owners are the same for both zones.

Following is a breakdown on gravity and prices received in July.

BONESPRINGS	42.4 gravity	\$16.75.bbl.
WOLFCAMP	57.6 gravity	\$15.75/bbl.
Combined	45.7 gravity	\$16.27/bbl.

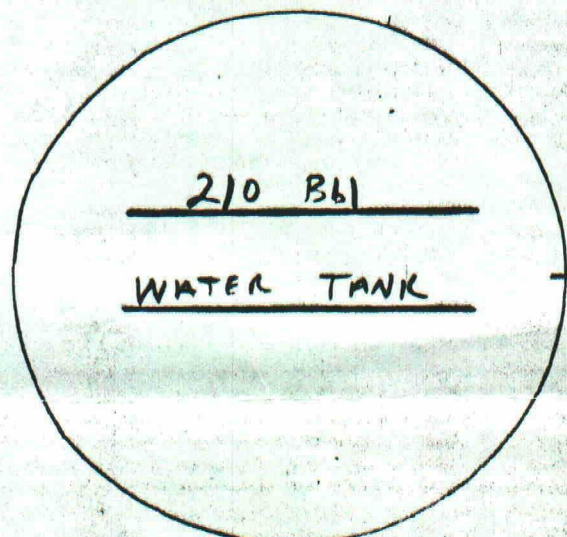
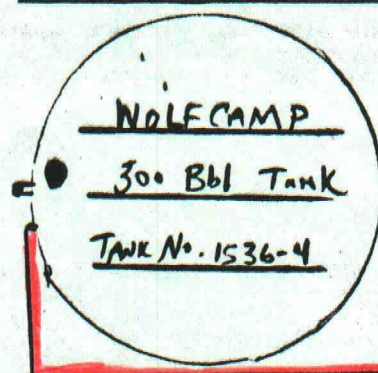
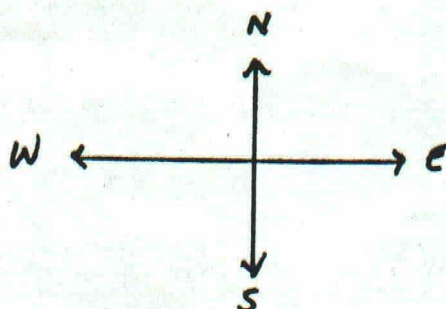
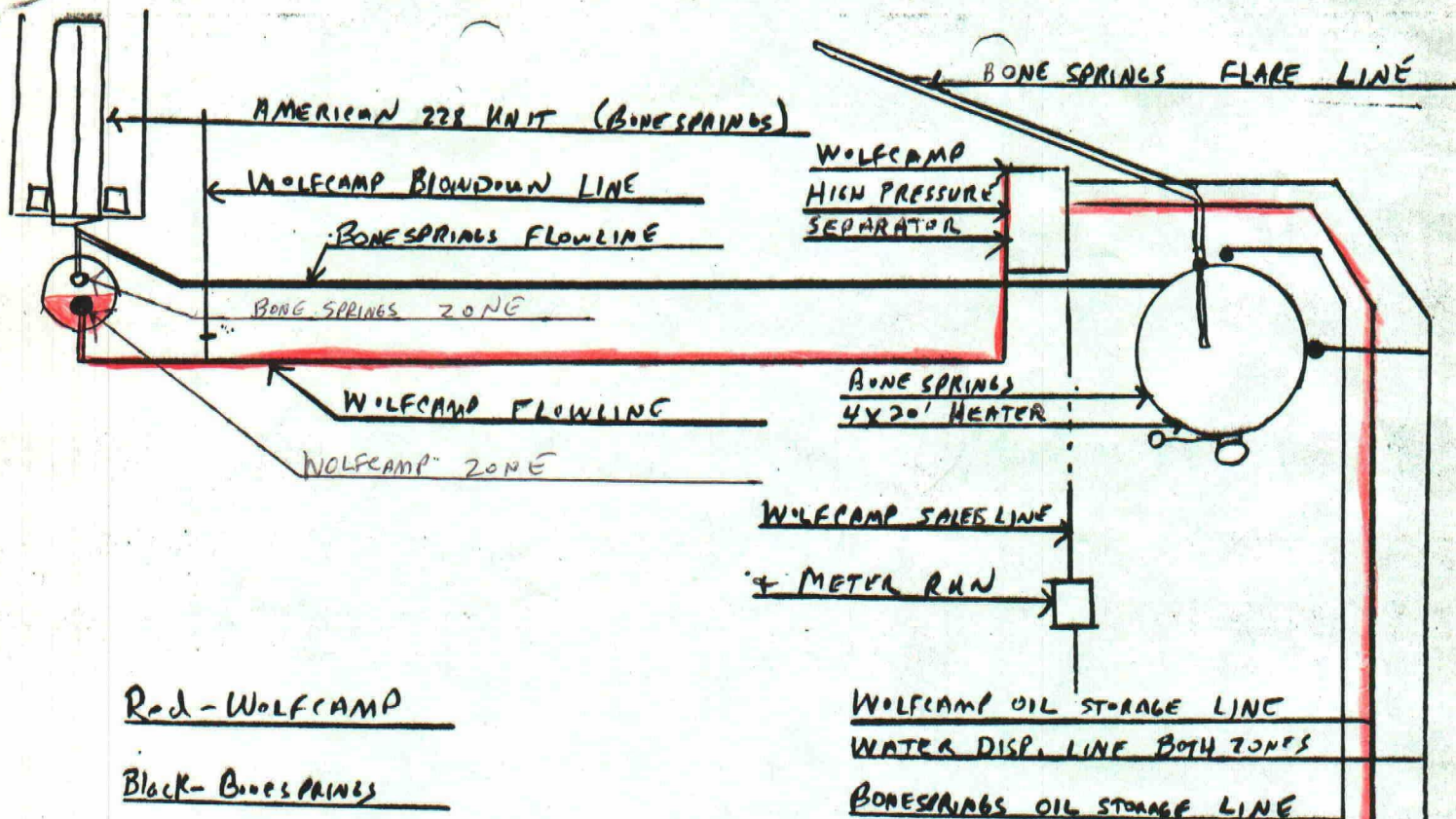
Enclosed you will find a sketch of the storage facilities.

If I can be of further assistance in this matter, please contact me.

Sincerely,

*Mike Copeland*  
Mike Copeland  
Production Supertendent

cc: LANEXCO, INC.  
P.O. BOX 2730  
MIDLAND, TEXAS 79702  
ATTN: Mr. Tom Phipps



LANEXCO, INC.

CERRO COM # 1

S-11, T-23-S, R-27-E

Eddy County NM