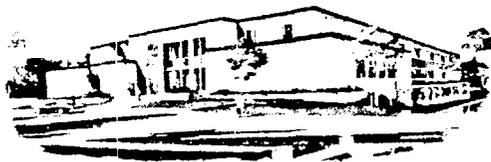


State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

June 14, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Stevens Operating Corporation
P. O. Box 2203
Roswell, New Mexico 88201

Re: Commingling of Leases
Sales by LACT

ATTENTION: Mr. John E. White

Gentlemen:

This office is in receipt of your letter dated June 10, 1985, wherein you have applied for administrative approval to commingle the production from a commingling facility and LACT which will be located in the SW/4SE/4 of Section 21, Township 8 South, Range 29 East. Your application makes reference to the Huber State Well No. 1 located in Unit G, Section 19, Township 8 South, Range 29 East, being State owned lands.

We regret to inform you that your application dated June 10, 1985, for permission to commingle production from the Red Lake Ridge San Andres and Wildcat Fusselman can not be approved as to State Lands. Our Statutes strictly prohibit the commingling, confusion or the intercommunication of production from any other trust lands or any lands not belonging to the State of New Mexico.

Enclosed is a copy of our rules and regulations Nos. 1.053, 1.054 and 1.055 in regards to Commingling and Off Lease Storage of oil and gas on State Trust Lands.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm

encls.

cc: OCD-Santa Fe, New Mexico