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CHEVRON U.S.A. INC.
Pacheco Federal Lease

Application For An Unorthodox
Surface Location Of
760' FSL and 1580' FWL
Section 31, T19S, R28E
and
Directional Drilling Approval
To A Standard Bottom-Hole Location
760' FSL and 1980' FWL
Section 31, T19S, R28E
Eddy County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Chevron U.S.A. Inc.'s application for NMOCD approval of an Unorthodox Surface Location and Directional Drilling to a Standard Bottom-Hole Location for a well in the Fade-Away Ridge Delaware Field. The Unorthodox Surface Location will be 760 feet FSL and 1580 feet FWL, Section 31, T-19-S, R-28-E, NMPM, Eddy County, New Mexico. The Projected Standard Bottom-Hole Location is 760 feet FSL and 1980 feet FWL of Section 31. The oil proration unit to be assigned to this well will comprise the SE/4 SW/4 of Section 31, T-19-S, R-28-E, NMPM, Eddy County, New Mexico.

Company: PENROC OIL CORPORATION
Representative: M. G. (Merch) Merchant
Signature: *Stephen J. Merchant*
Title: PRESIDENT
Date: 11-14-1990