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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

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SURFACE RESOURCES

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September 16, 2002

Chevron Texaco
15 Smith Road
Midland, Texas 79705

Attn: Ms. Carolyn J. Haynie

Re: Amendment of Surface Commingling Order PC-391.
Harry Leonard (NCT-E) Commingled Battery
NE/4 Sec. 16-21S-37E
Lea County, New Mexico

Dear Ms. Haynie:

We are in receipt of your letter of August 14, 2002. Your letter requests our approval to add the Penrose Skelly-Grayburg oil pool production to the existing approved Harry Leonard (NCT-E) Commingled Battery (NMOCD Commingle Order PC-391).

It is our understanding that the production will be commingled from the Penrose Skelly-Grayburg (50350), Blinebry Oil and Gas (6660), Tubb Oil and Gas (86440) and Drinkard (19190) pools. Production from each pool will be determined by periodic well tests.

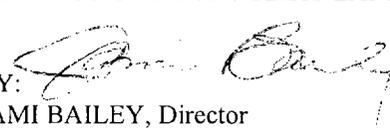
Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 dollar filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

pc: Reader File

OCD-Attention: David Catanach, Ben Stone,