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State of New Mexico

Commissioner of Public Lands

310 OLD SANTA FE TRAIL  
P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

PATRICK H. LYONS  
COMMISSIONER

COMMISSIONER'S OFFICE

Phone (505) 827-5760

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www.nmstatelands.org

June 9, 2008

Chevron  
15 Smith Road, RM-2235  
Midland, Texas 79705

Attention: Mr. Daniel Pequeno

Re: Final Approval  
Second Expansion Effective January 1, 2008  
Expansion of the Vertical Limits of the Unitized Formation for the  
Vacuum Grayburg San Andres Unit Agreement  
Lea County, New Mexico

4851

Dear Mr. Pequeno:

We are in receipt of your letter of June 3, 2008 requesting final approval to expand the vertical limits of the unitized formation for the Vacuum Grayburg San Andres Unit Agreement and adding additional carbon dioxide injection wells in a tertiary recovery project area.

The second amendment extends the vertical limits of the unitized formation to include a deeper formation. The unitized formation as amended extends to and includes portions of the Grayburg and San Andres formations found between the stratigraphic equivalents of the depths of 3,902 feet and 5,020 feet on the Welx Acoustic Velocity Log, dated February 22, 1965, run in Texaco's New Mexico "M" State Well No. 8, located 330 feet from the North line and 1,880 feet from the West line of Section 1, T-18-S, R-34-E, Lea County, New Mexico.

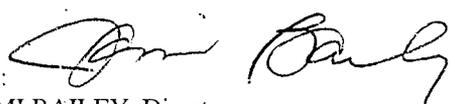
The Commissioner of Public Lands hereby grants final approval to your request for the second amendment to the Vacuum Grayburg San Andres Unit Agreement. The effective date of the second amendment is January 1, 2008.

Your \$150.00 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,

PATRICK H. LYONS.  
COMMISSIONER OF PUBLIC LANDS

BY:   
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
PL/JB/pm

pc: Reader File,  
NMOCD - Attn: Mr. Ed Martin

-State Land Office Beneficiaries -

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