CCCC



December 19, 2002

New Mexico Oil Conservation Division 1220 S. St. Francis Dr. Santa Fe, New Mexico 87504

Re: Stevens A #9 API #30-015-32441 Federal lease #NMLC030570A Unit K, 1650' FSL, 2310' FWL SEC 13, T17S, R30E Eddy County, N.M.

Gentlemen:

We request administrative approval to "On Lease Surface Commingle" the Cedar Lake Yeso zone (96831) production from the referenced well with the present NMLC 030570A Lease Grayburg production from the Stevens A #3,6,7 & 8 wells in the Stevens A Tank Battery in Unit M Sec. 13-17S-R30E (State POD #2818516, 2818862 & 2818866.) All production in this battery is presently being allocated based on periodic individual well test. The test method is a 1996 Natco built trailer mounted Huskie Jr. Port-A-Chek well tester. We have also installed a separate flow line from this well to the battery site with a metering separator before it enters the battery heater treater. This commingle allows us to test this zone using an existing storage facility instead of disturbing new acreage for a new battery site at this time.

This Federal lease does not qualify for reduced royalty. All Working, Royalty and Overriding interest owners are the same in the Grayburg, and Yeso producing intervals. As a matter of routine, a copy of this filing with the attachments is being sent to all interest owners.

A copy of this original filing is being sent to BLM- Roswell and NMOCD- Artesia. The BLM 3160-5 is also attached for your reference. The original C104 was sent to NMOCD in Artesia.

ours truly,

James H. Arline Materials Coordinator

Xc: New Mexico Oil Conservation Division 811 South First Artesia, New Mexico 88210