COMMISSIONER'S OFFICE Phone (505) 827-5760 Fax (505) 827-5766

ADMINISTRATION Phone (505) 827-5700 Fax (505) 827-5853

GENERAL COUNSEL Phone (505) 827-5713 Fax (505) 827-4262

PUBLIC AFFAIRS Phone (505) 827-1245 Fax (505) 827-5766

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

COMMERCIAL RESOURCES Phone (505) 827-5724 Fax (505) 827-6157

MINERAL RESOURCES Phone (505) 827-5744 Fax (505) 827-4739

ROYALTY MANAGEMENT Phone (505) 827-5772 Fax (505) 827-4739

SURFACE RESOURCES Phone (505) 827-5793 Fax (505) 827-5711

October 15, 2002

ChevronTexaco 15 Smith Road Midland, Texas 79705

Attention: Ms. Carolyn J. Haynie

Re: Application for Surface Commingling

New Mexico "EA" State Well No. 1, NE/4NE/4 New Mexico "EA" State Well No. 2, NW/4NE/4

Section 24-18S-37E Lea County, New Mexico

Dear Ms. Haynie:

We are in receipt of your letter of September 5, 2002 requesting our approval for pool (surface) commingling of the oil, gas, and water production from the above captioned wells from the following pools:

Wildcat-Tubb Wildcat-Drinkard, and Wildcat-Abo pools;

It is our understanding that the gas and oil production will be allocated to each of these wells with the use of a metering separator located at the NM "EA" State # 1 commingled battery.

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

JAMI BAILEY, Director

Oil, Gas and Minerals Division

(505) 827-5744 RP/JB/pm

pc: Reader File, OCD-Attention: David Catanach