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September 9, 1987

Application for Exception South Four Lakes Unit Lea County, New Mexico

State of New Mexico Energy and Minerals Department P.O. Box 2088 Santa Fe, New Mexico 87501

Exxon Company, U.S.A., as operator, is hereby making application for an exception to Rule 303-A to permit commingling in common facilities at the South Four Lakes Unit in Lea County.

This unit produces from both the Penn and Devonian formations. The Penn production averages 28 BOPD at 50 degrees gravity and the Devonian production averages 20 BOPD at 53 degrees gravity. We expect no significant gravity and value differences from the commingling of these streams.

Attached is a schematic diagram of the proposed installation and a plat showing the location of all wells and related pools. If you have any questions, please contact Randy Hanrahan at (915) 686-4494.

Jane B. Schulte

Operations Accounting

xc: State of New Mexico

Energy and Minerals Department

District I

P.O. Box 1980

Hobbs, New Mexico 88240

Randy Hanrahan

Glenn Pace - Hobbs

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