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February 11, 1999

HAND DELIVERED

Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Case No. 12102: Application of Chevron U. S. A. Inc. for Surface Commingling, Lea County, New Mexico

Dear Mr. Catanach:

Pursuant to your request, I have contacted Chevron concerning the area covered by the above referenced application. The following is a description of the acreage in Township 19 South, Range 36 East, for which Chevron seeks commingling authority and the corresponding affected State Oil and Gas Leases:

Section 1: S/2 (Lease No. B-243, Lease No. B-1585)

Section 12: W/2, NE/4 (Lease No. B-10233, Lease No. B-10164)

Section 13: W/2 (Lease No. E-7355)

Section 14: All (Lease No. E-7419, Lease No. B-10268)

Section 23: NE/4, W/2 NW/4,

NW/4 SW/4 (Lease No. B-230, Lease No. E-7572)

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If you need additional information from Chevron concerning this application, please advise.

Very truly yours,

WILLIAM F. CARR

WFC:mlh

cc: Lloyd Trautman

Frank Cusimano