



MALLON OIL COMPANY

1099 18th Street, Suite 2750, Denver, Colorado 80202
(303) 293-2333

September 4, 1990

Oxy USA Inc.
P. O. Box 50250
Midland, Texas 79710

RE: Downhole Commingling
Mobil "5" State #1
SW/4 SE/4 Sec. 5, T17S, R36E
Lea Co., New Mexico

Dear Sir:

Mallon Oil Company has filed with the New Mexico Oil Conservation Division for permission to downhole commingle production from the Lower San Andres and Blinberry intervals 5272-5344' and 7122-7350' respectively in the above captioned reference.

The estimated combined production from the zones is 25 BOPD, 27 MCFGPD, 6 BWPD. Both zones have shown steep decline trends during isolated testing.

Any objections or comments regarding the above described commingling should be directed to the New Mexico Oil Conservation Division within 20 days of receipt of this notification. Please feel free to call Mallon with any questions you may have.

Sincerely,

MALLON OIL COMPANY

Joe H. Cox
Production Manager

JHC:gb