



TONY ANAYA
GOVERNOR

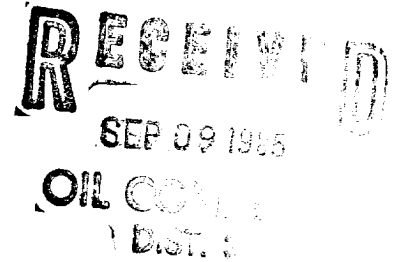
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

September 4, 1985

Southland Royalty Company
P. O. Drawer 570
Farmington, New Mexico 87401

Attention: Doug R. Harris



RE: Gas Commingling
Hubbard No. 8 well
Section 15, T32N, R27E
San Juan Co., NM *12w*

Dear Sir:

Your application to surface commingle the gas production from the above mentioned well has been reviewed. In view of the following:

1. The interest is common for both zones.
2. There will be no reduction in the value of the gas as a result of commingling.
3. Both zones are marginal.
4. As a result of commingling, the costs associated with producing the well will be reduced, thereby extending the economic life of the well and preventing waste.

You are hereby authorized to surface commingle the gas production from the Fruitland and Pictured Cliffs Pools from the above mentioned well. The production allocation shall be determined by a well test to be conducted bi-annually and reported to this office.

It is the responsibility of the operator to notify the transporter of the commingling authority.

Sincerely,

R. L. STAMETS
Director

cc: *✓* Aztec OCD

RLS/DC/bok