



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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V-F Petroleum Inc.
ATTN: Mr. Eric Sprinkle
PO Box 1889
Midland, TX 79702

July 11, 2017

Re: Downhole Commingling Application
Arco State #1
API: 30-025-27005
Unit L, Section 35, T15S, R36E
Dean, Permo Upper Penn (16720); Dean, Devonian (16530)
Lea County, New Mexico

Dear Mr. Sprinkle:

We have received your request to downhole commingle production for the Arco State #1 from the two referenced pools.

We have also received the application fee in the amount of \$150.00.

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. We have a copy of the applicable OCD Order (Administrative Order DHC-4817).

If you have any questions or if we may be of further assistance, please contact Commingling Manager Marilyn Gruebel at 505.827.5791.

Respectfully,

A handwritten signature in black ink, appearing to read "Aubrey Dunn", is written over the printed name and title.

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: **OCD-Daniel Sanchez**

OGMD and Units Reader Files