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SURFACE RESOURCES
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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

July 23, 1999

Exxon Company, USA
P.O. Box 4358
Houston, Texas 77210-4358

Attn: Ms. Charlotte H. Harper

Re: Downhole Commingling Application
New Mexico "S" State Well No. 12
Unit Letter A, Section 2-22S-37E
Blinebry and Tubb Pools
Lea County, New Mexico

Dear Ms. Harper:

This office is in receipt of your application of July 20, 1999, requesting our approval to downhole commingle the production from the above subject well from the Blinebry Oil & Gas and Tubb Oil & Gas Pools in Lea County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil %</u>	<u>Gas %</u>
Blinebry Oil & Gas	1.20%	0.51%
Tubb Oil & Gas	98.80%	99.49%
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	100.00	100.00

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your filing fee in the amount of \$30.00 has been received.

Exxon Company, USA
July 23, 1999
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If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:

Anthony H. Nail
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

For

RP/JB/cpm
Enclosure
xc: Reader File

OCD--Santa Fe--Attention: David Catanach, Ben Stone