

COMMISSIONER'S OFFICE
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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES
Phone (505) 827-5724
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MINERAL RESOURCES
Phone (505) 827-5744
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ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

August 25, 1999

Mewbourne Oil Company
P.O. Box 7698
Tyler, Texas 75711

Attn: Mr. Ken Calvert

Re: Downhole Commingling Application
Northeast Avalon Hills "36" State Com Well No. 1
Unit Letter O, Section 36-20S-27E
Burton Flat West (Strawn) and Burton Flat Morrow Pools
Eddy County, New Mexico

Dear Mr. Calvert:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on August 24, 1999. Your application requests our approval to downhole commingle the Burton Flat West (Strawn) and Burton Flat Morrow production within the wellbore of the Northeast Avalon Hills "36" State Com Well No. 1 located in Unit Letter O, Section 36-20S-27E, Eddy County, New Mexico.

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 for downhole commingling 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.

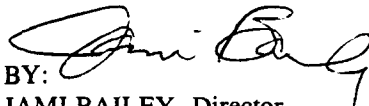
Please submit your \$30.00 dollar filing fee.

Also, please submit the appropriate approval from the New Mexico Oil Conservation Division.

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: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

Enclosure

xc: Reader File

OCD--David Catanach and Ben Stone

BLM

"WE WORK FOR EDUCATION"

310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148