

COMMISSIONER'S OFFICE

Phone (505) 827-5760
 Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700
 Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713
 Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-5765
 Fax (505) 827-5766



DHC-2698

COMMERCIAL RESOURCES

Phone (505) 827-5724
 Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744
 Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772
 Fax (505) 827-4739

SURFACE RESOURCES

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

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

April 4, 2000

Amerada Hess Corporation
 P.O. Box 840
 Seminole, Texas 79360

Attn: Mr. Duwayne Perry

Re: Downhole Commingling Application
 State "Q" Well No. 1
 State Lease No. A-1469-5
 Unit Letter J, Section 16-20S-37E
 Eunice Monument Grayburg San Andres and Monument Paddock Pools
 Lea County, New Mexico

Dear Mr. Perry:

This office is in receipt of your application of March 7, 2000, requesting our approval to downhole commingle the production from the above subject well from the Eunice Monument Grayburg San Andres and Monument Paddock 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>
Eunice Monument Grayburg San Andres	10%	56%
Monument Paddock	90%	44%
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	100	100

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.


Please submit your filing fee in the amount of \$30.00.

Amerada Hess Corporation
April 4, 2000
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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: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

Enclosure

xc: Reader File

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