

COMMISSIONER'S OFFICE  
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COMMERCIAL RESOURCES  
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MINERAL RESOURCES  
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ROYALTY MANAGEMENT  
Phone (505) 827-5772  
Fax (505) 827-4739

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

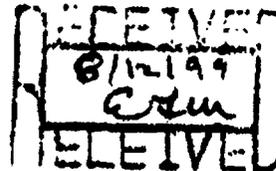
**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

August 9, 1999

Marks and Garner Production, Ltd. Co.  
P. O. Box 70  
Lovington, New Mexico 88260

Attn: Mr. Ernest L. Marks

Re: Surface Commingling  
Levers #5, #6, & #7  
Red State #1 & #2  
Red 12 Fed #1 & #2  
Red 12 State #2 & #3  
Red 12 Mt. #1  
Cave State #1 & #5  
Diamond State #1 & #2  
Eddy County, New Mexico



Dear Mr. Marks:

We have received your letter of July 23, 1999, wherein you requested our approval for surface commingling of production from the above-captioned wells.

We understand that Marks and Garner needs to transport gas produced from the above captioned wells to GPM's sales line which is a low-pressure central delivery point. You also propose to test each lease every quarter by way of a one-hour vent test.

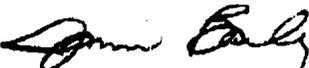
Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries as a result of your proposed operation, your request is hereby approved. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval, should this operation prove to be unprofitable to the state at any time in the future. Also, our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management. Please submit copies of the NMOCD and BLM's approvals.

Please submit a thirty-dollar filing fee.

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/pm

NEW MEXICO  
OIL CONSERVATION DIVISION

EXHIBIT 4  
CASE NO. 12239

pc: Reader File, OCD-Attention: David Catanach, Ben Stone,  
BLM-Roswell, New Mexico

**"WE WORK FOR EDUCATION"**

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