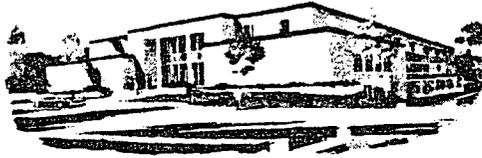


State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

March 25, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87508

Conoco Inc.
P. O. Box 460
726 East Michigan
Hobbs, New Mexico 88240

Re: Application for permission to
Downhole Commingle production
From State 35 Well No. 1

ATTENTION: Mr. Pat Bray

Gentlemen:

Reference is made to your letter dated March 12, 1985, wherein you have requested our approval to allow you to downhole commingling the Abo and Strawn Oil and Gas Zones in the State 35 Well No. 1, as to the SE/4SE/4 of Section 35, Township 20 South, Range 37 East, Lea County, New Mexico.

You are hereby given approval to the above request. It is our understanding that this well will be produced on a 40.00 acre proration unit. Any deviation from your proposed request will be reason to cancel our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your filing fee in the amount of Thirty (\$30.00) Dollars has been received.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505-827-5744

JB/RDG/pm
encls.

cc: OCD²-Santa Fe, New Mexico
OGAC-Santa Fe, New Mexico
Lease No. E-6347-1