



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

August 20, 1997

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attn: Mr. Jerry W. Hoover

Re: Application for Downhole Commingling
Hardy 36 State Well No. 21
Unit Letter L, Section 36-20S-37E
South Cass Strawn and Hardy Simpson-Ellenberger Pools
Lea County, New Mexico

Dear Mr. Hoover:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on August 13, 1997. Your application requests our approval to downhole commingle the South Cass Strawn and Hardy Simpson-Ellenberger production within the well bore of the Hardy 36 State Well No. 21 located in Unit Letter L, Section 36-20S-37E.

Since it appears that 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.

Your \$30.00 dollar filing fee has been received.

Please submit a copy of the Oil Conservation Division's Order approving this application.

Conoco Inc.
August 20, 1997
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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
cc: Reader File