



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5795

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
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Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

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ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5732

June 12, 1997

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

Attn: Mr. Jerry Hoover

Re: Application for Downhole Commingling
State A 2A, Well No. 5
Unit Letter P, Section 2-20S-37E
Monument Tubb and Skaggs Drinkard Pools
Lea County, New Mexico

Dear Mr. Hoover:

We received your New Mexico Oil Conservation Division Form C-107-A Downhole Commingling Application of June 3, 1997. In your application, you requested our approval to downhole commingle the oil production from the Monument Tubb and Skaggs Drinkard pools in the wellbore of the State A 2A Well No. 5. This well is located in the SE/4SE/4 of Section 2-20S-37E.

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.

Please submit your \$30.00 dollar filing fee.

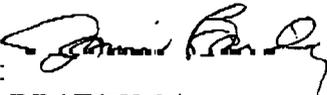
Conoco Inc.
June 12, 1997
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Also, please submit a copy of the Oil Conservation Division's approval order.

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

cc: Reader File

OCD--Attention: David Catanach, Ben Stone