

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.**

December 6, 1999

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

Attn: Mr. Duwayne Perry

Re: Downhole Commingling Application  
State "Q" Well No. 7  
Unit Letter J, Section 16-20S-37E  
Monument Paddock, Monument Tubb and Monument Abo Pools  
Lea County, New Mexico

Dear Mr. Perry:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on December 1, 1999. Your application requests our approval to downhole commingle the Monument Paddock, Monument Tubb and the Monument Abo production within the wellbore of the State "Q" Well No. 7 located in Unit Letter J, Section 16-20S-37E, 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>
Monument Paddock	27%	10%
Monument Tubb	27%	32%
Monument Abo	46%	58%
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	100%	100%

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 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  
December 6, 1999  
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Also, please submit a copy of the Oil Conservation Division's Order approving this application.

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--Attention: David Catanach~~, Ben Stone