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May 26, 1976

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Attention: Ray Graham

Re: Mesa Petroleum Co. State Com H #4A OP NM-726-A1
1850' FNL and 1560' FWL, Unit F, Section 32, T31N, R9W
San Juan County, New Mexico
Dual - Mesaverde and Pictured Cliffs

Gentlemen:

Please accept this letter as Mesa's application for permission to commingle the condensate liquids from the subject well as required by Rule #53 "Rules and Regulations Concerning the Sale, Lease and Other Disposition of State Trust Lands."

The above well was dually completed in the Blanco Mesaverde and Pictured Cliffs formations underlying commonly-owned leases more fully described on the attached list. We make this request due to the low condensate yields from the Pictured Cliffs formation expected at 0.7 barrels per MMCF as compared to the Mesaverde yields expected at 2 barrels per MMCF. Economically the Pictured Cliffs formation condensate does not justify a separate storage tank, but would produce additional revenues if stored and sold with Mesaverde condensate.

An economic analysis will not be applicable for the State royalty as the condensate from both formations are of the same gravity.

The commingling operation is a simple one being accomplished entirely on the surface; therefore, we request that the attached schematic diagram be accepted in lieu of a description of the operating sequence as required by Paragraph 8 of the above mentioned rules.

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10.00

Commissioner of Public Lands

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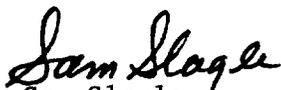
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In addition to the list of leases and schematic diagram attached are the following as required by the Land Commission.

1. Plat showing location of leases, wells and etc., Requirement #2 of Rule #53.
2. Mesa's check #17612 dated May 26, 1976, in the amount of \$10.00 for the filing fee.
3. Copy of Mesa's letter of May 19, 1976, to Joe Ramey, Secretary-Director, requesting permission to commingle.

If more information is needed please call me at area code 806/372-3411 (extension 256) or Jim Farrell, Mesa's Production Manager, at the same number (extension 230).

Yours truly,

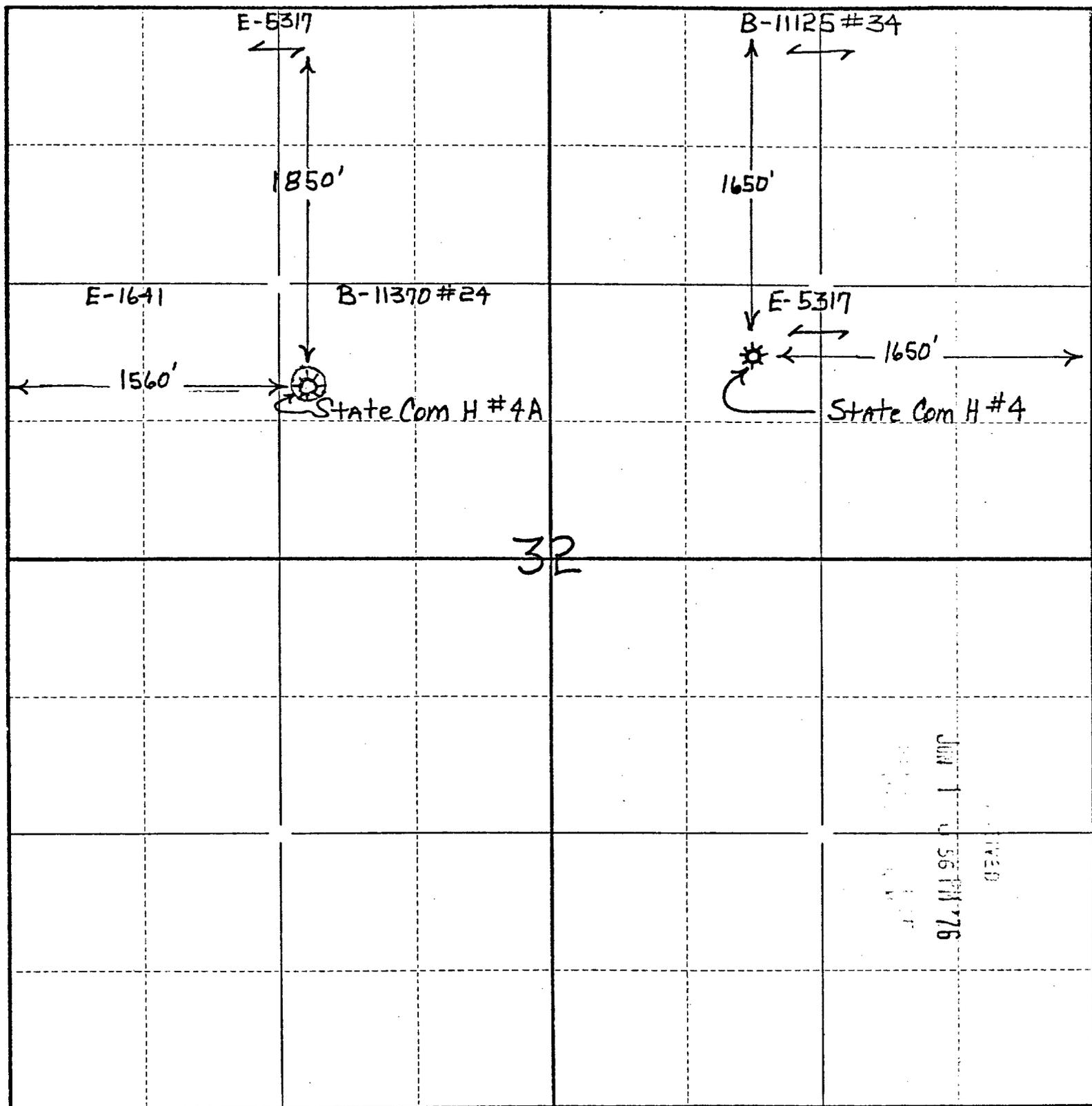


Sam Slagle
San Juan Division Landman

SS/lbb

cc: Jim Farrell

Township 31 North, Range 9 West, County SAN JUAN, State New Mexico



JUN 1 0 56 PM '76

LIST OF NEW MEXICO LEASES
 N/2 SECTION 32, T31N, R9W
 SAN JUAN COUNTY, NEW MEXICO

<u>STATE OF NEW MEXICO LEASE NUMBER</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>ACRES</u>	<u>STATE BENEFICIARIES</u>
E-1641	12-10-47	SW/4 NW/4	40.0	Common School Land
E-5317	6-11-51	N/2 NW/4, S/2 NE/4	160.0	Common School Land
B-11125 #34	3-21-44	N/2 NE/4	80.0	Common School Land
B-11370 #24	8-3-44	SE/4 NW/4	40.0	Common School Land

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 STATE OF NEW MEXICO
 LAND DEPARTMENT



State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

June 2, 1976

PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Mesa Petroleum Company
Vaughn Building
P. O. Box 2009
Amarillo, Texas 79105

Re: Mesa Petroleum Co. State Com H #4A OP NM-726-A1
1850' FNL and 1560' FWL, Unit F, Sec. 32, T31N, R9W
San Juan County, New Mexico
Dual- Mesaverde and Pictured Cliffs

ATTENTION: Mr. Sam Slagle

Gentlemen:

In reply to your application for permission to commingle the condensate liquids from the subject well, we have no objection to the commingling provided you follow New Mexico Oil Conservation Commission rules and regulations.

We are sending a copy of our letter of approval to the New Mexico Oil Conservation Commission.

Your Ten (\$10.00) Dollar filing fee has been received.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encl.

cc: OCC-Santa Fe, New Mexico
Oil and Gas Accounting Commission
State Leases E-5317, E-1641-7, B-11125-34
and B-11370-24