

COMMISSIONER'S OFFICE
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MINERAL RESOURCES
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ROYALTY MANAGEMENT
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SURFACE RESOURCES
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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

December 1, 2000

Thunderbolt Petroleum
P.O. Box 10523
Midland, Texas 79702

Attn: Mr. Robert Lee

Re: Application for Downhole-Commingling
Calmon Well No. 2
Unit Letter L, Section 16-18S-29E
Undesignated Travis-Yates and Loco Hills Queen-Grayburg-San Andres Pools
Eddy County, New Mexico

Dear Mr. Lee:

The New Mexico Oil Conservation Division has advised this office that Thunderbolt Petroleum has applied to downhole commingle the production from the Thunderbolt Petroleum Well No. 2. Thunderbolt Petroleum proposes to commingle the production from the Undesignated Travis-Yates and Loco Hills Queen-Grayburg-San Andres Pools.

Pursuant to State Land Office Rule No. 1.053, 1.054 and 1.055, please submit an application to this office for our approval together with the data recommended on the attached commingling pre-application form. The filing fee for a commingling application is \$30.00.

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: *Anthony W. Nard*
JAMI BAILEY, Director
Oil/Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
xc: Reader File

OCD--Attention: David Catanach, Marc Ashley

DHC-2856

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New Mexico State Land Office Commissioner of Public Lands Ray Powell, M.S., D.V.M.

December 27, 2000

Thunderbolt Petroleum
P.O. Box 10523
Midland, Texas 79702

Attn: Mr. Robert Lee

Re: Downhole Commingling Application
Calmon Well No. 2
Unit Letter L, Section 16-18S-29E
Undesignated Travis Yates and Loco Hills Queen-Grayburg-San Andres Pools
Eddy County, New Mexico

Dear Mr. Lee:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on December 12, 2000. Your application requests our approval to downhole commingle the Undesignated Travis Yates and Loco Hills Queen-Grayburg-San Andres production within the wellbore of the Calmon Well No. 2 located in Unit Letter L, Section 16-18S-29E, Eddy 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>
Undesignated Travis Yates	0%	96%
Loco Hills Queen-Grayburg-San Andres	100%	4%
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	100%	100%

Since it appears that all 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.

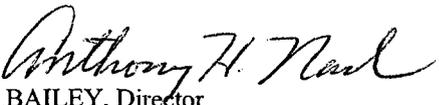
Your \$30.00 dollar filing fee has been received.

Thunderbolt Petroleum
December 27, 2000
Page 2

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~~, Mark Ashley