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New Mexico Oil Conservation Division  
Artesia District office  
1301 West Grand Av.  
Artesia, New Mexico  
88210

RECEIVED  
AUG 26 2004  
OCU-ARTESIA

August 26, 2004

**Re: Mesa Federal #1 (API #30-015-33141) down hole commingle application approval**

Dear Sir or Madam,

Attached, please find a copy of the New Mexico Oil Conservation Division administrative order (DHC-3304) granting approval to commingle the Atoka and Morrow zones in the Mesa Federal #1 well. This order was approved on July 23<sup>rd</sup>, 2004. Pursuant to this letter we wish to notify the Artesia District Office that we have implemented this downhole commingling operation. This well is currently producing about 900 MCFPD from both the Atoka and Morrow zones up a 2 3/8" tubing string.

In an effort to keep all Regulatory parties informed we will also be notifying the Carlsbad office of the Bureau of Land Management as per the downhole commingling operation.

If you have any concerns or questions please give me a call at your earliest convenience at (432) 550-8887.

Sincerely,



Douglas Dietrich  
Engineer  
J. Cleo Thompson Oil producers