



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
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May 23, 1996

Meridian Oil Inc.  
Post Office Box 4289  
Farmington, New Mexico 87499-4289

Attn: Ms. Peggy Bradfield

Re: Downhole Commingling Application  
San Juan 32-9 Unit Well No. 37A  
Blanco Mesaverde and Blanco Pictured Cliffs Pools  
NW4SE4, Section 32-32N-09W  
San Juan County, New Mexico

Dear Ms. Bradfield:

We have received your letter of May 10, 1996, wherein you requested our approval to downhole commingle the Blanco Mesaverde and Blanco Pictured Cliffs pools' production from the above-captioned well.

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands hereby grants approval to your request. 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. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

We understand that you will submit the actual percentage allocations from the production for the two zones once the pitot gauges have been obtained.

Pursuant to State Land Office Rule No. 1.055, please submit a \$30.00 filing fee.

Meridian Oil Inc.

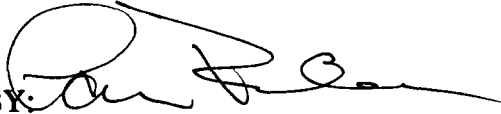
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If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: 

LARRY KEHOE, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File  
OCD--Mr. David Catanach, Mr. Ben Stone  
Commissioner's File