



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
FAX (505) 827-5766

December 12, 1997

Redstone Oil & Gas Company
8235 Douglas Avenue
Suite 1050
Dallas, Texas 75225

Attn: Ms. Sharon K. Petry

Re: Application for Downhole Commingling
South Carlsbad Gas Com "4" Well No. 1
Unit Letter G, Section 27, 23S-26E
North Black River-Atoka and Undesignated Frontier Hills-Strawn Pools
Eddy County, New Mexico

Dear Ms. Petry:

We are in receipt of your application of December 4, 1997, requesting our approval to downhole commingle the production from the above subject well from the North Black River-Atoka and Undesignated Frontier Hills-Strawn Pools in 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>
North Black River-Atoka	0%	40%
Undesignated Frontier Hills-Strawn	100%	60%
	<hr/> 100%	<hr/> 100%

Since it appears that 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 a \$30 filing fee.

Redstone Oil & Gas Company

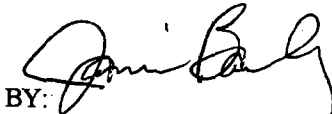
December 12, 1997

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, Ben Stone



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COMMISSIONER

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(505) 827-5760
FAX (505) 827-5766

December 12, 1997

Redstone Oil & Gas Company
8235 Douglas Avenue
Suite 1050
Dallas, Texas 75225

Attn: Ms. Sharon K. Petry

Re: Amended Approval Letter
Application for Downhole Commingling
South Carlsbad Gas Com "4" Well No. 1
Unit Letter G, Section 27-23S-26E
North Black River-Atoka and Frontier Hills-Strawn Pools
Eddy County, New Mexico

Dear Ms. Petry:

Reference is made to your letters of December 15 and December 4, 1997, requesting approval to downhole commingle the production from the above subject well from the North Black River-Atoka and Undesignated Frontier Hills-Strawn Pools in Eddy County, New Mexico. This letter amends the allocation of our approval letter of December 12, 1997.

It is our understanding that the Production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil</u>	<u>Gas</u>
Frontier Hills-Strawn Gas Pool	0%	40%
North Black River-Atoka Gas Pool	100%	60%
	100%	100%

Since it appears that 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 a \$30.00 filing fee. (Our records reflect that a \$30 filing fee was received for your communitization agreement for this well, however the communitization agreement is considered a separate approval process). We regret any inconvenience this may have caused.


Redstone Oil & Gas Company
December 18, 1997
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/pm

xc: Reader File OCD-Attention: David Catanach, Ben Stone