

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766



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

COMMERCIAL RESOURCES

Phone (505) 827-5724

Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

March 21, 2000

Robert L. Bayless, Producer LLC
P.O. Box 168
Farmington, New Mexico 87499

Attn: Mr. Kevin H. McCord

Re: Application for Downhole Commingling
Krause Well No. 1
Unit Letter C, Section 2-26N-11W
West Kutz-Pictured Cliffs and Basin-Fruitland Coal Pools
San Juan County, New Mexico

Dear Mr. McCord:

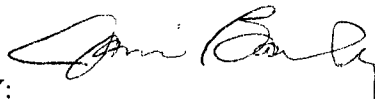
The New Mexico Oil Conservation Division has advised this office that Robert L. Bayless, Producer LLC has applied to downhole commingle the production from the Krause Well No. 1. Robert L. Bayless, Producer LLC proposes to commingle the production from the West Kutz-Pictured Cliffs and Basin-Fruitland Coal 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: 
JAMI BAILEY, Director
Oil/Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

Enclosure

xc: Reader File

~~OCD--Attention:~~ David Catanach, Ben Stone