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DHC-2698

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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.**

April 4, 2000

Amerada Hess Corporation
P.O. Box 840
Seminole, Texas 79360

Attn: Mr. Duwayne Perry

Re: Downhole Commingling Application
State "Q" Well No. 1
State Lease No. A-1469-5
Unit Letter J, Section 16-20S-37E
Eunice Monument Grayburg San Andres and Monument Paddock Pools
Lea County, New Mexico

Dear Mr. Perry:

This office is in receipt of your application of March 7, 2000, requesting our approval to downhole commingle the production from the above subject well from the Eunice Monument Grayburg San Andres and Monument Paddock Pools in Lea 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>
Eunice Monument Grayburg San Andres	10%	56%
Monument Paddock	90%	44%
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	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 your filing fee in the amount of \$30.00.

Amerada Hess Corporation
April 4, 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-Santa Fe-Attention: David Catanach~~, Ben Stone