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DHC-2780

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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.**

July 5, 2000

Devon Energy Production Company
20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102-8260

Attn: Ms. Candace R. Graham

Re: Downhole Commingling Application
State "BW" Com Well No. 4
Unit Letter O, Section 27-18S-28E
Undesignated Travis (Wolfcamp) and Travis (Upper Penn) Pools
Eddy County, New Mexico

Dear Ms. Graham:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on June 26, 2000. Your application requests our approval to downhole commingle the Undesignated Travis (Wolfcamp) and Travis (Upper Penn) production within the wellbore of the State "BW" Com Well No. 4 located in Unit Letter O, Section 27-18S-28E, 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>
Undesignated Travis (Wolfcamp)	79%	82%
Travis (Upper Penn)	21%	18%
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	100%	100%

Since it appears that the New Mexico Oil Conservation Division's rules and regulations have been complied with, and 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.

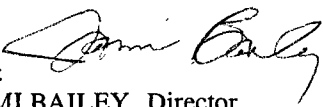
Also, please submit a copy of the Oil Conservation Division's Order approving this application.

Devon Energy Production Company
July 5, 2000
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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: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
xc: Reader File

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