

COMMISSIONER'S OFFICE

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PUBLIC AFFAIRS

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DHC-2848

COMMERCIAL RESOURCES

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Fax (505) 827-6157

MINERAL RESOURCES

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Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793
Fax (505) 827-5711

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

November 28, 2000

Caulkins Oil Company
P.O. Box 340
Bloomfield, New Mexico 87413

Attn: Mr. Robert L. Verquer

Re: Downhole Commingling Application
State "B" Com Well No. 233-E
Unit Letter K, Section 16-26N-06W
Mesaverde and Basin Dakota Pools
Rio Arriba County, New Mexico

Dear Mr. Verquer:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on November 17, 2000. Your application requests our approval to downhole commingle the Mesaverde and Basin Dakota production within the wellbore of the State "B" Com Well No. 233-E located in Unit Letter K, Section 16-26N-06W, Rio Arriba 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>
Mesaverde	34%	29%
Basin Dakota	66%	71%
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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.

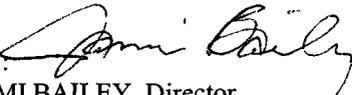
Please submit your filing fee in the amount of \$30.00.

Caulkins Oil Company
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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, Marc Ashley