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DHC-2863

COMMERCIAL RESOURCES

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ROYALTY MANAGEMENT

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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.

December 5, 2000

Bass Enterprises Production Company

P.O. Box 2760

Midland, Texas 79702-2760

Attn: Ms. Tami Wilber

Re: Downhole Commingling ApplicationJames Ranch Unit Well No. 27

Unit Letter I, Section 36-22S-30E

Los Medanos (Bone Spring and Wolfcamp) Pools

Eddy County, New Mexico

Dear Ms. Wilber:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on November 21, 2000. Your application requests our approval to downhole commingle the Los Medanos (Bone Spring and Wolfcamp) production within the wellbore of the James Ranch Unit Well No. 27 located in Unit Letter I, Section 36-22S-30E, 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>
Bone Spring	50%	50%
Wolfcamp	50%	50%
	-----	-----
	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.

Your filing fee in the amount of \$30.00 has been received.

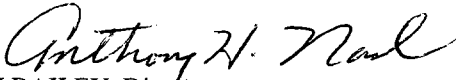
Bass Enterprises Production Company
December 5, 2000
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Also, please submit a copy of the Oil Conservation Division's Order approving this application.

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

For BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
xc: Reader File

~~OCD--Attention:--David Catanach,~~ Mark Ashley