

**COMMISSIONER'S OFFICE**

Phone (505) 827-5760

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**ADMINISTRATION**

Phone (505) 827-5700

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**GENERAL COUNSEL**

Phone (505) 827-5713

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**PUBLIC AFFAIRS**

Phone (505) 827-1245

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**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

July 1, 2002

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

Attn: Mr. Robert L. Verquer

Re: Downhole Commingling Application  
 State Com Well No. 113  
 Unit Letter M, Section 2-26N-06W  
 South Blanco Tocito 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 June 24, 2002. Your application requests our approval to downhole commingle the South Blanco Tocito and Basin Dakota production within the wellbore of the State Com Well No. 113 located in Unit Letter M, Section 2-26N-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>
South Blanco Tocito	97%	37%
Basin Dakota	3%	63%
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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.

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

Caulkins Oil Company

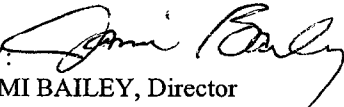
July 1, 2002

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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