COMMISSIONER'S OFFICE Phone (505) 827-5760 Fax (505) 827-5766

ADMINISTRATION Phone (505) 827-5700 Fax (505) 827-5853

GENERAL COUNSEL Phone (505) 827-5713 Fax (505) 827-4262

PUBLIC AFFAIRS Phone (505) 827-1245 Fax (505) 827-5766

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

November 28,2001

Apache Corporation 2000 Post Oak Blvd. Suite 100 Houston, Texas 77056-4400

Attn: Ms. Frances M. Byers

Re: Application for Surface Commingling

State "9" Lease Well Nos. 1 and 2

N/2, Section 9-16S-37E State Lease V-00339-2

Northeast Lovington -Pennsylvania Pool

Lea County, New Mexico

Dear Ms. Byers:

We have received a copy of the New Mexico Oil Conservation Division's Order No. CTB-318-A which notifies this office of your application to surface commingle the production from the above-captioned well.

Pursuant to State Land Office Rule Nos. 1.053, 1.054 and 1.055, please submit a copy of your commingling request to this office. Enclosed is a copy of or commingling rules and regulations. The filing fee for a commingling application is thirty (\$30.00) dollars.

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

JAMI BAILEY, Director

Oil, Gas and Minerals Division

(505) 827-5744

RP/JB/cpm Enclosure

xc: Reader File

OCD--Dave Catanach

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

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

April 3, 2002

Apache Corporation 2000 Post Oak Boulevard, Suite 100 Houston, Texas 77056-4400

Attention: Ms. Frances M. Byers

Re;

Amended Surface Commingling Application

NMOCD Order No. CTB-318

Homestake Royalty Lease SE/4 Sec. 10-16S-37E

State 9 Lease N/2 Sec. 9-16S-37E Andrus 9 Lease SW/4 Sec. 9-16S-37E

N. E. Lovington Penn Pool Lea County, New Mexico

Dear Ms. Byers:

Your application of October 1, 2001 requests our approval to surface commingle the Northeast Lovington Penn pool production from the above referenced wells at the CTB-318 battery.

It is our understanding that all production will be metered separately prior to commingling.

Since it appears that all 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 is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 filing fee has been received.

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/pm

pc:

Reader File,

OCD-Attention: David Catanach,