



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

January 19, 1983

Tony Anaya
GOVERNOR

SECRETARY

P.O. DRAWER 00
ARTESIA, NEW MEXICO 88210
(505) 748-1283

Joan G. Carroll
P. O. Box 518
Loving, New Mexico 88256

Re: Dinero Operating Company
Giovengo Well No. 1-L
S 25 - T 23 S - R 28 E

Dear Joan,

This is in regard to our telephone conversation of January 11, 1983, and your letter of January 14, 1983 on the above captioned well being commingled with Dinero's Williams No. 1-N-S25-T23S-R28E and the Ray Howard No. 1-Y-P-S25-T23S-R28E, Eddy County, New Mexico.

An approval from the New Mexico Oil Conservation Division to Dinero Operating Company to commingle the South Culebra Bluff-Bone Spring Production on this lease was issued May 17, 1982, as CTB Order 290.

This order required the separate metering of both the oil and gas production from each lease prior to commingling. An inspection was made by the Division's field personnel, prior to final approval, and the installation was found to comply with the requirements of this order.

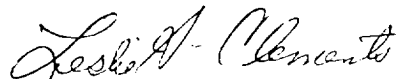
Mr. Jay W. Forbes, Attorney at Law, wrote Mr. Russell J. Ramsland of Dinero on the 19th of February 1982, and advised him that Mr. Giovengo had consented to the commingling of the Giovengo No. 1 with the Williams No. 1, and the Howard No. 1-Y, which was a required consideration of the Division prior to issuing the Commingling Order CTB-290.

In regards to the payment of Royalties, the Division does not have jurisdiction in these matters.

I hope this information provides a satisfactory answer to your questions.

If we can be of further service, please do not hesitate to call on us.

Very truly yours,


Leslie A. Clements
Supervisor, District II

LAC:fc

cc: Mr. Perry Pierce