



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 9, 2001

Greystone Energy Inc.
Attn: Chester Deal
5802 Highway 64
Farmington, NM 87401

26 51N-1300

RE: Downhole commingling of the Payne #3E well, API # 30-045-25953

Dear Mr. Deal:

This letter is a follow up to our telephone conversation of July 5th concerning the unauthorized downhole commingling of the Payne #3E well, API # 30-045-25953. The two pools involved are preapproved for DHC by R-11363 and the application may be processed at the District office.

This well is to be shut in until an application to commingle is sent in to the NMOCD office in Aztec and approved.

Thank you for your attention on this matter.

Sincerely,

Steven N. Hayden
Deputy Oil & Gas Inspector
shayden@state.nm.us

SNH/mk

Cc: Well file

