



OIL CONSERVATION DIVISION
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RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

February 22, 1995

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

Attn: Mr. Jerry Hoover

Re: Downhole Commingling Application
State Com AF Well No. 28
Unit-B Sec. 36-29N-10W
San Juan County, New Mexico

Dear Mr. Hoover:

This office is in receipt of your application letter of February 15, 1995, wherein you have requested our approval to downhole commingle the production from the above subject well.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>		
	<u>Water</u>	<u>Oil</u>	<u>Gas</u>
Blanco Mesaverde	33%	67%	65%
Basin Dakota	67%	33%	35%

Since the above mentioned well has been properly communitized, and there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands hereby grants approval to your request. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove to be unprofitable to the State at any time in the future. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Conoco Inc.
February 22, 1995
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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: 

JAMES B. LEWIS, Director
Oil/Gas and Minerals Division
(505) 827-5744

RP/JBL/pm

cc: Reader File

OCD-Santa Fe Attn: Mr. David Catanach, Ben Stone
E-6348-2