

State of New Mexico Commissioner of Public Lands

RAY POWELL, M.S., D.V.M. COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE. NEW MEXICO 87504-1148

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

June 6, 1996

Amoco Exploration & Production Company Post Office Box 800 Denver, Colorado 80201

Attn: Ms. Pamela W. Staley

Re: Application for Downhole Commingling

State BP Well #1 (A/K/A State AX #2 Well)

Unit G. Section 32-29N-09W

Otero Chacra and Basin Dakota Pools

San Juan County, New Mexico

Dear Ms. Staley:

Your application to downhole commingle the production from within the wellbore of the abovecaptioned well was received on June 3, 1996. Your application requests our approval to downhole commingle the Otero Chacra production with the Basin Dakota production within the wellbore of the State BP Well No. 1, located in Unit Letter G, Section 32-29N-09W.

Since it appears that all the New Mexico Oil Conservation Division 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 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 \$30.00 dollar filing fee has been received.

Amoco Exploration & Production Company June 6, 1996 Page 2

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

LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File

OCD--Attention: David Catanach, Ben Stone

E-5613