



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
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State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
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ADMINISTRATIVE MGMT.  
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LEGAL  
(505)-827-5715

PLANNING  
(505)-827-5752

June 10, 1998

Taurus Exploration U.S.A., Inc.  
2198 Bloomfield Highway  
Farmington, New Mexico 87401

Attn: Mr. Richard Corcoran

Re: Application for Downhole Commingling  
San Juan 32-5 Unit Well No. 17M  
Blanco Mesaverde and Basin Dakota Pools  
Unit Letter N, Section 26-32N-06W  
Rio Arriba County, New Mexico

Dear Mr. Corcoran:

We are in receipt of your April 29, 1998, downhole commingling application for the above-captioned well. Your application requests our approval to downhole commingle the Blanco Mesaverde and Basin Dakota production from within the wellbore of the San Juan 32-5 Unit Well No. 17M, located in Unit Letter N, Section 26-32N-06W.

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 contingent upon like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please submit a \$30.00 filing fee.

Also, please submit a copy of the Oil Conservation Division order approving this application.

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: *For Anthony H. Neal*  
JAMI BAILEY  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
Enclosure  
pc: Reader File

OCD

BLM

"WE WORK FOR EDUCATION"