



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
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MINERAL RESOURCES
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ROYALTY
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State of New Mexico
Commissioner of Public Lands

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ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

May 10, 1999

ARCO Permian
P.O. Box 1610
Midland, Texas 79702-1610

Attn: Ms. Elizabeth A. Casbeer

Re: Downhole Commingling Application
Washington State "33" Well No. 23
Unit Letter M, Section 33-17S-28E
Artesia Queen-Grayburg-San Andres and Artesia Glorieta-Yeso Pools
Eddy County, New Mexico

Dear Ms. Casbeer:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on April 16, 1999. Your application requests our approval to downhole commingle the Artesia Queen-Grayburg-San Andres and Artesia Glorieta-Yeso production within the wellbore of the Washington State "33" Well No. 23, Unit Letter M, located in Section 33-17S-28E, Eddy County, New Mexico.

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

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil%</u>	<u>Gas %</u>
Artesia Queen-Grayburg-San Andres	27%	27%
Artesia Glorieta-Yeso	73%	73%
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	100%	100%

Since it appears that all the New Mexico Oil Conservation Division's 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 the production from the above-mentioned well 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.

ARCO Permian
May 10, 1999
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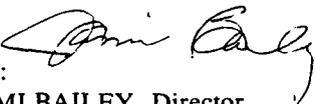
Your filing fee in the amount of \$30.00 has been received.

Also, please submit a copy of the Oil Conservation Division's 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:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/IB/cpm

Enclosure

xc: Reader File

OCD--Attention: David Catanach, Ben Stone