



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
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Santa Fe, New Mexico 87504-1148  
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PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

April 28, 1999

Cross Timbers Operating Company  
2700 Farmington Avenue  
Building K, Suite 1  
Farmington, New Mexico 87401

Attn: Mr. Jeffery W. Patton

Re: Downhole Commingling Application  
State Gas Com "BZ" Well No. 1  
Unit Letter I, Section 32-29N-10W  
Otero Chacra and Armenta Gallup Pools  
San Juan County, New Mexico

Dear Mr. Patton:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on April 26, 1999. Your application requests our approval to downhole commingle the Otero Chacra and Armenta Gallup production within the wellbore of the State Gas Com "BZ" Well No. 1 located in Unit Letter I, Section 32-29N-10W, San Juan 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>
Otero Chacra	0%	75%
Armenta Galllup	100%	25%
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	100%	100%

*"WE WORK FOR EDUCATION"*

Cross Timbers Operating Company  
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Since it appears that 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.

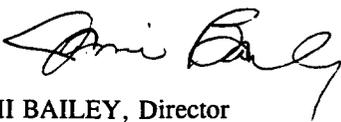
Your filing fee in the amount of \$30.00 has been received.

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/JB/cpm

Enclosure

xc: Reader File

OCD--Attention: David Catanach, Ben Stone