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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

December 7, 2000

American Inland Resources Co., LLC
P.O. Box 50938
Midland, Texas 79710

Attn: Mr. Michael D. Prichard

Re: Application for Downhole Commingling
New Mexico "AQ" State NCT-11 Well No. 3
Unit Letter K, Section 3-14S-33E
South Baum-Wolfcamp and Lazy J-Penn Pools
Lea County, New Mexico

Dear Mr. Prichard:

The New Mexico Oil Conservation Division has advised this office that American Inland Resources Co., LLC has applied to downhole commingle the production from the New Mexico "AQ" State NCT-11 Well No. 3. American Inland Resources Co., LLC proposes to commingle the production from the South Baum-Wolfcamp and Lazy J-Penn Pools.

Pursuant to State Land Office Rule No. 1.053, 1.054 and 1.055, please submit an application to this office for our approval together with the data recommended on the attached commingling pre-application form. The filing fee for a commingling application is \$30.00.

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

RP/JB/cpm
Enclosure
xc: Reader File

OCD--Attention: David Catanach, Mark Ashley