

DHC-3029



02 JUL -3 PM 2:12

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

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS
Phone (505) 827-1245
Fax (505) 827-5766

COMMERCIAL RESOURCES
Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES
Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

July 1, 2002

Caulkins Oil Company
P.O. Box 340
Bloomfield, New Mexico 87413

Attn: Mr. Robert L. Verquer

Re: Downhole Commingling Application
State Com Well No. 113
Unit Letter M, Section 2-26N-06W
South Blanco Tocito and Basin Dakota Pools
Rio Arriba County, New Mexico

Dear Mr. Verquer:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on June 24, 2002. Your application requests our approval to downhole commingle the South Blanco Tocito and Basin Dakota production within the wellbore of the State Com Well No. 113 located in Unit Letter M, Section 2-26N-06W, Rio Arriba 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>
South Blanco Tocito	97%	37%
Basin Dakota	3%	63%
	-----	-----
	100%	100%

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.

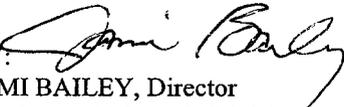
Your filing fee in the amount of \$30.00 has been received.

Caulkins Oil Company
July 1, 2002
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

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
xc: Reader File

OCD--Attention: David Catanach