



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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February 21, 2003

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340

Attn: Ms. Cathy Tomberlin

Re: Surface Commingling of Oil & Gas
Stealth 3 Well No. 1, SE/4NE/4 Sec. 3-23S-26E
Happy Valley Delaware Pool
State W Well No. 4, NW/4SW/4 Sec. 3-23S-26E
Carlsbad Delaware South Pool
Eddy County, New Mexico

Dear Ms. Tomberlin:

We are in receipt of your letter of January 17, 2003 requesting our approval to surface commingle the oil and gas production from the Stealth 3 Well No. 1 and the State W Well No. 4 wells.

It is our understanding that the production from the State W Well No. 4 will be commingled at the Stealth 3 #1 battery and the oil and gas production will be allocated based on well tests.

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 is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division. Please submit a copy of the NMOC's approval to this office.

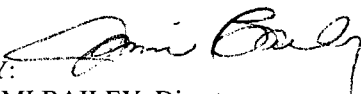
Your filing fee in the amount of \$30.00 has been received.

Please contact Ms. Debbie Padilla of our Right-of-Way Division at (505) 827-5729 for a possible right-of-way through S/2NE/4 of Section 3, Township 23 South, Range 36 East.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
~~OCD-Attention: David Catanach~~
Debbie Padilla