



CTB-358

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.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

December 23, 1996

Layton Enterprises, Inc.  
3103 79th Street  
Lubbock, Texas 79423

Attn: Mr. Donald R. Layton

Re: Surface Commingling Application  
State C Lease Well Nos. 1, 2  
State AO Lease Well Nos. 1, 2  
State B Lease Well No. 4  
Bagley, Permo Penn, North Pool  
Lea County, New Mexico

Dear Mr. Layton:

We have received your letter of December 1, 1996, wherein you requested our approval to surface commingle the production from the above well.

We understand that production from the subject wells will be commingled at the State AO tank battery located in the NE/4NW/4 of Section 4-12S-33E.

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries as a result of your proposed operation, your request is hereby approved. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval, should this operation prove to be unprofitable to the state at any time in the future. Also, our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 filing fee has been received.

Since you will be crossing several state leases, a right of way easement may be required from this office. Please contact Ms. Debbie Padilla of our Right-of-Way Section at 827-5729 for additional information regarding an easement.

Layton Enterprises, Inc.

December 23, 1996

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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

cc: Reader File

OCD--Mr. David Catanach, Mr. Ben Stone  
Debbie Padilla--Surface Resources