

State of New Mexico Commissioner of Public Cands

RAY POWELL, M.S., D.V.M. COMMISSIONER

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(505) 827-5760 FAX (505) 827-5766

September 11, 1996

Exxon Company, USA P. O. Box 1600 Midland, Texas 79702-1600

Attn:

Mr. Alex M. Correa

Re:

Amended Surface Commingling Application

New Mexico 'S' State Lease

Section 2-22S-37E, Wells Nos. 7 and 30

Blinebry and Drinkard Pools Lea County, New Mexico

Dear Mr. Correa:

We have received your letter of September 1, 1996, together with your application to amend your previously approved surface commingling application for the New Mexico 'S' State Lease.

We understand that the Well No. 7 (Blinebry Oil & Gas) and the Well No. 30 (Drinkard) will be added to your application.

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands hereby grants approval for surface commingling. 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.

Please submit a \$30.00 filing fee.

Please submit a copy of the approved Oil Conservation Division Order to this office.

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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

LARRY KEHOE, Director

Oil, Gas and Minerals Division

(505) 827-5744

RP/LK/cpm

cc: Reader File OCD--Mr. David Catanach, Mr. Ben Stone

Commissioner's File