COMMERCIAL RESOURCES (505)-827-5724

SURFACE RESOURCES (505)-827-5795

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 MOMT. (505)-827-5700

LEGAL (505)-827-5713

PLANNING (505)-827-5752

October 5, 1999

Amerada Hess Corporation P.O. Box 840 Seminole, Texas 79360

Attn: Mr. Roy L. Wheeler

Re: Application for Surface Commingling

New Mexico "F" State Well Nos. 2, 3, and 4 Unit Letters L, M and N, Section 17-20S-37E

State Lease B-935

Eumont-Yates Seven Rivers Queen and Eunice Monument-Grayburg San Andres Pool

Lea County, New Mexico

Dear Mr. Wheeler:

We have received your letter of September 22, 1999 wherein you requested our approval for surface commingling of the production from the above wells.

We understand that production from the Eunice Monument Grayburg/San Andres (Wells Nos. 2 & 3) and Eumont Yates Seven Rivers Queen (Well No. 4) will be metered separately.

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.

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

JAMI BAILEY, Director

Oil, Gas and Minerals Division

(505) 827-5744

RP/JB/cpm Enclosure

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

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) 827-5765 Fax (505) 827-5766

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

COMMERCAL 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

September 7, 1999

Amerada Hess Corporation P.O. Box 840 Seminole, Texas 79360

Attn:

Mr. Roy L. Wheeler

Re:

Application for Surface Commingling

New Mexico "F" State Well Nos. 2, 3, and 4 Unit Letters L, M and N, Section 17-20S-37E

State Lease B-935

Eumont-Yates Seven Rivers Queen and Eunice Monument-Grayburg San Andres Pool

Lea County, New Mexico

Dear Mr. Wheeler:

We have received a copy of the New Mexico Oil Conservation Division's Order #PC-1001 which notifies this office of your application to surface commingle the production from the above-captioned wells.

Pursuant to State Land Office Rule Nos. 1.053, 1.054 and 1.055, please submit a copy of your commingling request to this office. Enclosed is a copy of or commingling rules and regulations. The filing fee for a commingling application is thirty (\$30.00) dollars.

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: Circthony H. Mint For JAMI BAILEY, Director

Oil, Gas and Minerals Division

(505) 827-5744

RP/JB/cpm Enclosure

xc: Reader File

OCD