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

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

April 29, 1996

Amoco Exploration and Production
Post Office Box 800
Denver, Colorado 80201-0800

Attn: Ms. Pamela W. Staley

Re: Surface Commingling Application
State Gas Com BY #1 Well
Otero Chacra Pool
State Gas Com BZ Well #1
Armenta Gallup Pool
Unit I, Section 32-29N-10W
San Juan County, New Mexico

Dear Ms. Staley:

We have received your letters of February 21, 1996 and April 24, 1996, wherein you requested our approval to surface commingle the production from the above wells.

We understand that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil</u>	<u>Gas</u>
Otero Chacra Pool	0%	77%
Armenta Gallup Pool	100%	23%

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.

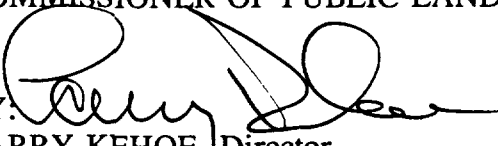
Amoco Exploration & Production
April 29, 1996
Page 2

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

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

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