

**COMMISSIONER'S OFFICE**

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

**COMMERCIAL RESOURCES**

Phone (505) 827-5724  
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**MINERAL RESOURCES**

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**ROYALTY MANAGEMENT**

Phone (505) 827-5772  
Fax (505) 827-4739

**SURFACE RESOURCES**

Phone (505) 827-5793  
Fax (505) 827-5711

February 19, 2001

Conoco, Inc.  
P. O. Box 2197  
Houston, TX 77252-2197

Attention: Ms. Yolanda Perez

Re: Application to Surface Commingle  
FC State Com Well Nos. 6 and 8  
State Well Nos. 3, 3A and State Com Well No. 44  
State Com G Well Nos. 2 and 2A  
State Well No. 4E  
Section 32-29N-08W  
San Juan County, New Mexico

Dear Ms. Perez:

We are in receipt of your letter of February 6, 2001. Your letter requests our approval to surface commingle the production from the above captioned wells from the Basin Fruitland Coal, Blanco Mesaverde, Blanco Pictured Cliffs, and Basin Dakota pools.

It is our understanding that production from the above captioned wells will be measured separately prior to being surface commingling at the State Com G2 Central Facility located in the NW/4SW/4 of Section 32-29N-08W.

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 \$30.00 dollar filing.

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/pm

pc: Reader File, OCD-Attention: David Catanach

**Catanach, David**

**From:** Catanach, David  
**Sent:** Friday, March 09, 2001 11:04 AM  
**To:** 'Yolanda Perez'  
**Subject:** Commingling App.

Yolanda:

Please provide the following additional info.

Orders No. that approved downhole commingling for the State 3, 3A, State Com G No. 2A and State No. 4E.

A description of each lease. (i.e. lease No. E-5226 comprises the SW/4)

The purpose or reason for commingling.

The method by which production is to be allocated to each well/pool.

If you have any questions, call me at (505) 476-3466.

David

## **Catanach, David**

**From:** Perez, Yolanda[SMTP:Yolanda.Perez@usa.conoco.com]  
**Sent:** Thursday, March 15, 2001 1:25 PM  
**To:** 'Catanach, David'  
**Subject:** RE: Commingling App.

David,

Here is information you requested. Please let me know if you need anything else.

- |     |                 |                                 |
|-----|-----------------|---------------------------------|
| (1) | Well            | DHC Order #'s                   |
|     | State #3A       | 2074                            |
|     | State #4E       | 2559                            |
|     | State Com G #2A | Case #11029, R-10200            |
|     | State #3        | Dual Completion                 |
| (2) | Lease #         | Lease Description               |
|     | #E-5226         | N/2, N/2SW/4, SE/4SW/4, E/2SE/4 |
|     | #E-3374         | NW/4SE/4                        |
|     | #E-4426         | SW/4SE/4                        |
|     | #E-1202         | SW/4SW/4                        |

(3) The reason for commingling is to be able compress all wells with one single compressor instead of individual wellhead units.

(4) Production will be allocated according to DHC orders and allocation meters. Each well has its own allocation meter.

Sincerely,  
Yolanda

-----Original Message-----

From: Catanach, David [mailto:DCATANACH@state.nm.us]  
Sent: Friday, March 09, 2001 12:05 PM  
To: 'Yolanda Perez'  
Subject: Commingling App.

Yolanda:

Please provide the following additional info.

Orders No. that approved downhole commingling for the State 3, 3A, State Com G No. 2A and State No. 4E.

A description of each lease. (i.e. lease No. E-5226 comprises the SW/4)

The purpose or reason for commingling.

The method by which production is to be allocated to each well/pool.

If you have any questions, call me at (505) 476-3466.

David