



Donald W. Johnson
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 393-4141

May 24, 1985

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504

Attention Mr. Ray Graham

Gentlemen:

By the attached copy of our application to the Bureau of Land Management, we are requesting your approval of your proposal to surface commingle production from all Conoco-operated leases in the Dagger Draw area. Approval from the BLM was obtained on February 26, 1985.

If you have any questions, please call Coleen Bose at ext. 120 of this office.

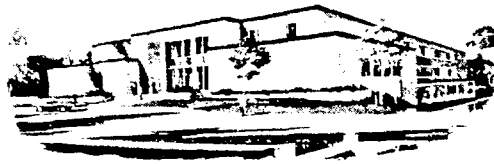
Yours very truly,

A handwritten signature in cursive script, reading "Donald W. Johnson".

RCB:jr

Attachments
cc: NMOCD-Hobbs

State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

June 4, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery User
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Conoco, Inc.
P. O. Box 460
726 East Michigan
Hobbs, New Mexico 88240

Derived

Re: Application so Surface Commingle
Production in the Dagger Draw Area
Eddy County, New Mexico

ATTENTION: Mr. Donald W. Johnson

Gentlemen:

This office is in receipt of your Application to Surface Commingle Production from all Conoco-Operated leases in the Dagger Draw Area, Eddy County, New Mexico. Your application makes reference to the Dee State Com Well No. 1 located in the NW/4SE/4 of Section 36, Township 19 South, Range 24 East, being State owned lands.

We regret to inform you that your application dated December 27, 1984, for permission to Surface Commingle Production from the Dagger Draw Area, Eddy County, New Mexico can not be approved as to State Lands. Our Statutes strictly prohibit the commingling, confusion or the intercommunication of production from any other trust lands or any lands not belonging to the State of New Mexico.

Enclosed is a copy of our rules and regulations Nos. 1.053, 1.054 and 1.055 in regards to Commingling and Off Lease Storage of oil and gas on State Trust Lands.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM- P. O. Box 1778, Carlsbad, NM 88220
Attn: Mr. Charles Dehler