

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

JIM BACA COMMISSIONER

August 19, 1991

Meridian Oil Inc. P.O. Box 51810 Midland, Texas 79710-1810

ATTN: Connie L. Malik

RE: Request for Approval to Surface Commingle State Lease Nos. V-1357 and E-10001 Section 16, Township 18 South, Range 32 East

Dear Ms. Malik:

We received your letter dated August 7, 1991 wherein you request approval to surface commingle the production from the wells located on State of New Mexico Oil and Gas Lease Nos. V-1357 Original and E-10001-1. Said wells are located in Section 16, Township 18 South, Range 32 East, Lea County, New Mexico.

Since the royalty rate for V-1367-1 is 1/6th and the royalty rate for E-10001-1 is 1/8th, please provide this office with a plan for measuring the volume on each lease, and also the royalties to be paid on each lease.

If you have any questions, please do not hesitate to contact this office.

Very truly yours,

JIM BACA COMMISSIONER OF PUBLIC LANDS

Logene to Run BV:

Floyd O. Prando, Director Oil, Gas and Minerals Division (505) 827-5744

JB/FOP/kkc