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SURFACE RESOURCES  
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Fax (505) 827-5711

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

September 10, 2002

Pure Resources L.P.  
P.O. Box 850  
Bloomfield, New Mexico 87413

Attn: Mr. Micheal C. Phillips

Re: Downhole Commingling Application  
Rincon Unit Well No. 127R  
Unit Letter G, Section 28-27N-06W  
Basin Dakota and Blanco Mesaverde Pools  
Rio Arriba County, New Mexico

Dear Mr. Phillips:

Your application to downhole commingle the Blanco Mesaverde and Basin Dakota production from within the wellbore of the above-captioned well was received on August 30, 2002.

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 for downhole commingling is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please submit your \$30.00 dollar filing fee.

Also, please submit a copy of the Bureau of Land Management and Oil Conservation Division's approval orders.

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/cpm

Enclosure

xc: Reader File

OCD--Attention: David Catanach

BLM