



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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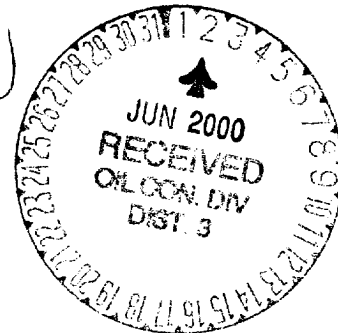
Lori Wrotenbery
Director
Oil Conservation Division

May 31, 2000

Conoco Inc.
P.O. Box 2197
Houston, Texas 77252

Attention: Ms. Deborah Marberry

Re: Form C-107-A
San Juan 28-7 Unit No. 53 & 59
Sections 28 & 29, T-28N, R-7W,
Rio Arriba County, New Mexico



Dear Ms. Marberry:

I have reviewed the applications to downhole commingle Basin-Fruitland Coal, Blanco-Pictured Cliffs and Blanco-Mesaverde Pool production within the subject wells. Before approving these applications, I am requesting additional detailed information regarding the procedure Conoco will utilize to complete and test the Basin-Fruitland Coal and Blanco-Pictured Cliffs Gas Pools within the wellbore prior to commingling.

If you should have any questions, please contact me at (505) 827-8184. Your applications will be processed upon receipt of the above requested information.

Sincerely,

David Catanach
Engineer

Xc: OCD-Aztec
Bureau of Land Management-Farmington