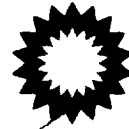


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Amoco Production Company
A Part of the BP Amoco Group
501 WestLake Park Blvd.
Houston, TX 77079-3092

August 15, 2000

Phone: 281-366-4491

Jo Ann Z. Xaiz
8159 Adams St.
Midvale, UT 84047

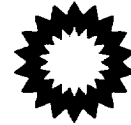
Application for Exception to Rule 303-A- Downhole Commingling
Gallegos Canyon Unit 196
Unit M Section 19-T28N-R12W
Basin Fruitland Coal and Basin Dakota Pools
San Juan County, New Mexico

On July 7, 2000, we submitted an application to the New Mexico Oil Conservation Division requesting administrative approval to commingle production from the Basin Fruitland Coal and Basin Dakota gas Pools downhole in the subject well. Additionally, a copy of this application was also sent by certified mail, return receipt requested, to each of the royalty interest owners in these formations. All of the data submitted with this application referenced these two gas pools with the exception of the first section of the second page of our letter titled "Production Allocation Recommendation". This paragraph erroneously stated "The balance of the production will be attributed to the **Blanco Mesaverde**". This should have stated "The balance of the production will be attributed to the **Basin Fruitland Coal**".

In your letter of August 4, 2000, you stated that you were against this exception as you had no Royalty Interest in the Blanco Mesaverde. The intent of this letter is to clarify that the intent of our application was to commingle production from the Basin Dakota and Basin Fruitland Coal gas Pools and in no way involves the Blanco Mesaverde Pool.

We respectfully request that if you have no objections to our application to commingle production downhole in the Gallegos Canyon Unit well No. 196 that you so

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indicate by signing and dating the space provided below. Please submit one copy to each of the following in the enclosed stamped envelopes provide for your convenience.

Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Road.
Aztec, NM 87410

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505

Bureau of Land Management
1235 La Plata Hwy.
Farmington, NM 87401

Amoco Production Company
Attention: Mary Corley Room 2.537
P.O. Box 3092
Houston, TX 77079

Should you have questions regarding this application, do not hesitate to call me at 281-366-4491.

Sincerely,


Mary Corley

As a Royalty Interest Owner in both the **Basin Dakota** and **Basin Fruitland Coal Gas** Pools, I, Jo Ann Z Xaiz, have no objection to Amoco Production Company's application to commingle production from the Gallegos Canyon Unit Well No. 196 downhole from the subject gas pools.

Signed Jo Ann Z. Xaiz

Date Aug. 21, 2000