

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS
Phone (505) 827-1245
Fax (505) 827-5766



DHC-2129

COMMERCIAL RESOURCES
Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES
Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

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

December 8, 1999

Phillips Petroleum Company
5525 Hwy. 64
Farmington, New Mexico 87401

Attn: Mr. Mark Stodola

Re: Downhole Commingling Allocation Method
San Juan 29-5 Unit Well Nos. 32M, 57M and 67M
Blanco Mesaverde and South Blanco Pictured Cliffs Pools
Rio Arriba County, New Mexico

Dear Mr. Stodola:

This office is in receipt of your letter of November 12, 1999, wherein due to a change of plans, you are requesting to change the allocation method of your previous commingling application regarding the above-captioned wells.

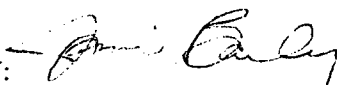
It is our understanding that you will now use the subtraction method between 6 and 12 months and then utilize the ratio method which will give the Mesaverde time to stabilize.

Your request 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 and the Bureau of Land Management.

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, Ben Stone

BLM