DHC-2702

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

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

COMMERCAL 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

April 13, 2000

Phillips Petroleum Company 5525 Hwy 64 Farmington, New Mexico 87401

Attn:

Mr. Clint Hutchinson

Re:

Downhole Commingling Application San Juan 30-5 Unit Well No. 112 Unit Letter O, Section 12-30N-05W Basin Dakota and Blanco Mesaverde Pools Rio Arriba County, New Mexico

Dear Mr. Hutchinson:

Your application of March 16, 2000, was received to downhole commingle the Basin Dakota and Blanco Mesaverde production from within the wellbore of the above-captioned well. 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 and the Bureau of Land Management.

Please submit your \$30.00 dollar filing fee.

Also, please submit the appropriate approvals for 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

JAMI BAILEY, Director

Oil, Gas and Minerals Division

(505) 827-5744

RP/JB/cpm Enclosure

xc: Reader File

QCD--Attention: David Catanach, Ben Stone

BLM