DHC-2937

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.

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

July 24, 2001

Phillips Petroleum Company 5525 Highway 64 Farmington, New Mexico 87401

Attn:

Mr. Eric Dahlgren

Re:

Application for Downhole Commingling

San Juan 32-7 Unit Well No. 10 Unit Letter N, Section 32-32S-07W

Undesignated South Los Pinos Fruitland Sand-Pictured Cliffs and Blanco-Mesaverde Pools

San Juan County, New Mexico

Dear Mr. Dahlgren:

The New Mexico Oil Conservation Division has advised this office that Phillips Petroleum Company has applied to downhole commingle the production from the San Juan 32-7 Unit Well No. 10. Phillips Petroleum Company proposes to commingle the production from the Undesignated South Los Pinos Fruitland Sand-Pictured Cliffs and Blanco-Mesaverde Pools.

Pursuant to State Land Office Rule No. 1.053, 1.054 and 1.055, please submit an application to this office for our approval together with the data recommended on the attached commingling pre-application form. The filing fee for a commingling application is \$30.00.

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

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