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

PLC-210
COMMERCIAL RESOURCES
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SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

October 1, 2002

Conoco, Inc.
P. O. Box 2197, DU 3084
Houston, TX 77252-2197

Attention: Ms. Yolanda Perez

Re: Application to Surface Commingle
State Com AG #29E, API 30-045-24033
State Com Z#22, API 30045-07700
Section 36-29N-10W, B-11017-63
San Juan County, New Mexico

Dear Ms. Perez:

We are in receipt of your letter of August 19, 2001. Your letter requests our approval to surface commingle the production from the above captioned wells at the proposed State Com AG 29E CDP.

It is our understanding that the State Com "AG" 29E is currently downhole commingled in the Blanco Mesaverde and Basin Dakota pools and the "Z" #22 is an Atec Pictured Cliffs single completion.

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 is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please submit a copy of the New Mexico Oil Conservation Division's approval order.

Please also submit a \$30.00 dollar filing.

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/pm

pc: Reader File, OCD-Attention: David Catanach