



RAY B. POWELL  
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

October 20, 1993

Conoco, Inc.  
10 Desta Drive  
Suite 100W  
Midland, Texas 79705-4500

Attention: Mr. Jerry W. Hoover

Re: Application for Downhole Commingling  
Fruitland Sand and Pictured Cliffs Producing Zones  
State Lease No. B-11183  
State Com Well No. 39  
Section 36-29N-8W  
San Juan County, New Mexico

Dear Mr. Hoover:

Reference is made to your application of October 12, 1993, wherein you have requested our approval to downhole commingle production within the wellbore of the State Com Well No. 39 located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 36-29N-8W, San Juan County, New Mexico. Your application proposes to commingle the production from the Fruitland Sand and Pictured Cliffs Producing zones.

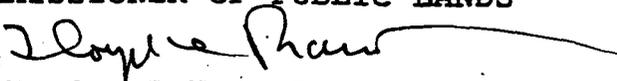
Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands, this date, approves your request. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove to be unprofitable to the state at any time in the future. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

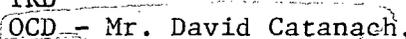
Your filing fee in the amount of thirty (\$30.00) dollars has been received.

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 B. POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
RBP/FOP/pm  
encls. TRD

CC:  - Mr. David Catanach, Mr. Ben Stone