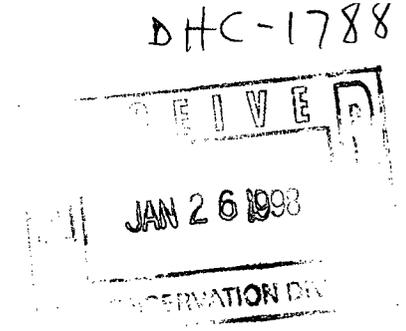




State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

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



(505) 827-5760
FAX (505) 827-5766

January 22, 1998

Burlington Resources Oil and Gas Company
P.O. Box 4289
Farmington, New Mexico 87499-4289

Attn: Mr. Kevin Midkiff

Re: Application for Downhole Commingling
Johnston A Com G Unit Well No. 17M
Unit Letter I, Section 36-26N-06W
Blanco Mesaverde and Basin Dakota Pools
Rio Arriba County, New Mexico

Dear Mr. Midkiff:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on December 31, 1997. Your application requests our approval to downhole commingle the Blanco Mesaverde and Basin Dakota production within the wellbore of the Johnston A Com G Unit Well No. 17M, located in Unit Letter I, Section 36-26N-06W. We understand that you will supply us with the allocation percentages upon completion of the well.

Since it appears that all the New Mexico Oil Conservation Division 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.

Please submit your \$30.00 dollar filing fee..

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
xc: Reader File

OCD--Attention: David Catanach, Ben Stone