COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

State of New Mexico
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

November 2, 1999

Phillips Petroleum Company
5525 Hwy. 64
Farmington, New Mexico 87401

Attn: Mr. Mark Stodola

Re: Downhole Commingling Application
        San Juan 29-6 Unit Well No. 53A
        Unit Letter O, Section 31-29N-06W
        Blanco Mesaverde and South Blanco Pictured Cliffs Pools
        Rio Arriba County, New Mexico

Dear Mr. Stodola:

Your application to downhole commingle the South Blanco Pictured Cliffs and Blanco Mesaverde production from within the wellbore of the above-captioned well was received on October 22, 1999.

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 from 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

BY: _Anthony H. Neal_
For   JAMI BAILEY, Director
      Oil, Gas and Minerals Division
      (505) 827-5744

RP/JB/cpm
Enclosure
xc: Reader File   OCD--Attention: David Catanach, Ben Stone   BLM

"WE WORK FOR EDUCATION"