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

April 20, 2000

Conoco, Inc.
P.O. Box 2197
Houston, Texas 77252-2197

Attn: Ms. Deborah Marberry

Re: Downhole Commingling Application
        State Com 0 Well No. 12
        Unit Letter I, Section 16-29N-08W
        Basin Dakota and Blanco Mesaverde Pools
        San Juan County, New Mexico

Dear Ms. Marberry:

Your application to downhole commingle the Basin Dakota and Blanco Mesaverde production from within the wellbore of the above-captioned well was received on April 14, 2000.

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.

Our approval is contingent upon Conoco submitting a communitization agreement for the Dakota Formation covering the E/2 of Section 16-29N-08W.
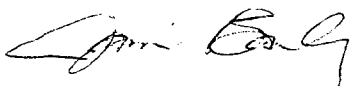
Your $30.00 dollar filing fee was received.

Also, please submit the appropriate approvals from the New Mexico Oil Conservation Division

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, Ben Stone   BLM

WE WORK FOR EDUCATION

310 Old Santa Fe Trail, P.O. Box 1148 Santa Fe, New Mexico 87504-1148