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

COMMERCIAL RESOURCES

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SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

May 25, 2000

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

Attn: Ms. Deborah Marberry

Re: Downhole Commingling Application
San Juan 28-7 Well No. 59
Unit Letter B, Section 29-28N-07W
Basin Fruitland Coal, Blanco Pictured Cliffs and Blanco Mesaverde Pools
Rio Arriba County, New Mexico

Dear Ms. Marberry:

Your application to downhole commingle the Basin Fruitland Coal, Blanco Pictured Cliffs and Blanco Mesaverde production from within the wellbore of the above-captioned well was received on May 15, 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 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

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