

DHC-2864

COMMISSIONER'S OFFICE

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ADMINISTRATION

Phone (505) 827-5700  
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Phone (505) 827-5713  
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New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.

COMMERCIAL RESOURCES

Phone (505) 827-5724  
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MINERAL RESOURCES

Phone (505) 827-5744  
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772  
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793  
Fax (505) 827-5711

December 18, 2000

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

Attn: Mr. Nigel Ramberansingh

Re: Downhole Commingling Application  
State Com Well No. 47  
Unit Letter L, Section 2-27N-08W  
Pictured Cliffs, Otero Chacra and Blanco Mesaverde Pools  
San Juan County, New Mexico

Dear Mr. Ramberansingh:

Your application to downhole commingle the Pictured Cliffs, Otero Chacra and Blanco Mesaverde production from within the wellbore of the above-captioned well was received on December 12, 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 upon Conoco Inc. submitting a communitization agreement for the Otero Chacra formation located in the SW/4 of Section 2-27N-08W.

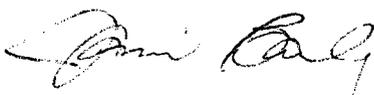
Please submit your \$30.00 dollar filing fee.

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:   
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
Enclosure  
xc: Reader File

~~OCD-Attention: David Catanach~~, Mark Ashley