

COMMISSIONER'S OFFICE
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DHC-2964

OIL CONSERVATION DIV.

OCT 26 PM 1:21

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

COMMERCIAL RESOURCES
Phone (505) 827-5724
Fax (505) 827-6157

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

October 24, 2001

High Plains Petroleum Corporation
3860 Carlock Drive
Boulder, Colorado 80305

Attn: Mr. John B. Somers II

Re: Downhole Commingling Application
New Mexico State Well No. 1
Lease VA-2178
Unit Letter C, Section 16-30N-16W
Horseshoe Gallup and Eagle Nest Mancos Pools
San Juan County, New Mexico

Dear Mr. Somers:

Your application to downhole commingle the Horseshoe Gallup and Eagle Nest Mancos production from within the wellbore of the above-captioned well was received on October 15, 2001.

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 approvals is subject to like approval by the New Mexico Oil Conservation Division.

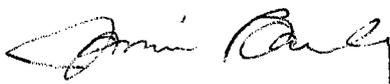
Please submit your \$30.00 dollar filing fee.

Also, please submit a copy of the New Mexico Oil Conservation Division's approval order.

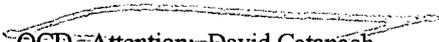
If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

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