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August 19, 2002

New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

RE: **Application to Surface Commingle**
Hamner 1A, API 30-045-25327 *EW*
Hamner 6, API 30-045-12052 *SE/4*
Section 20, T29N, R9W
San Juan County, New Mexico

Gentlemen:

By way of this application, Conoco respectfully requests approval to surface commingle all zones currently completed in the above-mentioned wells. The 1A is completed in the Blanco Mesaverde and the 6 is an Aztec Pictured Cliffs single. Working, net revenue, and royalty interests are identical for all producing horizons.

The following items are submitted in support of this application:

Exhibit A is a plat of the lease with the subject well identified.
Exhibit B contains production volume reports of zones completed in the well.
Exhibit C contains gas analysis reports for zones completed in the subject well.
Exhibit D is a schematic of the facilities for subject well.

The current average gas production rate for the 1A is 220 MCFPD. The current average production for the 6 is 20 MCFPD; the expected production with compression is 75 MCFPD. Allocation will be determined by separately metering. Pictured Cliffs gas is dry, therefore, no oil will be allocated to this formation.

If you have any questions or require any further information, please feel free to contact me at (281) 293-1613.

Sincerely,

Yolanda Perez
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Lobo/San Juan Asset