



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

RAY POWELL, M.S., D.V.M.
COMMISSIONER

(505) 827-5760
FAX (505) 827-5766

June 6, 1996

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705

Attn: Mr. Jerry W. Hoover

Re: Application for Downhole Commingling
State Com AK Well No. 35
Unit Letter B, Section 36-32N-12W
San Juan County, New Mexico

Dear Mr. Hoover:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on May 31, 1996. Your application requests our approval to downhole commingle the Blanco Mesaverde and Basin Dakota production within the wellbore of the State Com AK Well No. 35, located in Unit Letter B, Section 36-32N-12W.

Since it appears that all the New Mexico Oil Conservation Division 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.

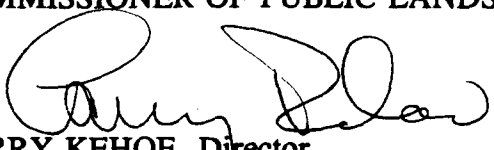
Your \$30.00 dollar filing fee was received.

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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: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File
OCD--Attention: David Catanach, Ben Stone
BLM--Farmington