



AUG - 5 1997

DHC-1644

COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

**State of New Mexico
Commissioner of Public Lands**

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5752

August 1, 1997

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attn: Mr. Jerry W. Hoover

Re: Application for Downhole Commingling
State Well No. 32E
Unit Letter A, Section 36-30N-11W
Blanco Mesaverde and Basin Dakota Pools
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 July 15, 1997. Your application requests our approval to downhole commingle the Blanco Mesaverde and Basin Dakota production within the wellbore of the State Well No. 32E, located in Unit Letter A, Section 36-30N-11W. We understand that you will supply us with the allocation percentages upon completion of the well.

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.


Please submit a \$30.00 dollar filing fee.

Conoco Inc.
August 1, 1997
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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:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
cc: Reader File
OCD--Attention: David Catanach, Ben Stone