

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

April 7, 1998

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

COMMISSIONER

Phillips Petroleum Company 5525 HWY 64 Farmington, New Mexico 87401

Attn: Mr. Mark W. Stodola

Re: Downhole Commingling Application (San Juan 30-5 Unit, Well No. 47M) Unit Letter F, Section 17-30N-05W San Juan 30-5 Unit Well No. 109A Unit Letter E, Section 14-30N-05W Blanco Mesaverde and Basin Dakota Pools Rio Arriba County, New Mexico

Dear Mr. Stodola:

Your applications to downhole commingle the production within the wellbores of the above-captioned wells were received on March 23, 1998.

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 the Bureau of Land Management.

Please submit your \$30.00 filing fee.

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

RV.

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

RP/JB/cpm Enclosure pc: Reader File

(OCD=-Attention: David Catanach, Ben Stone)

BLM

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