

DHC 2074



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

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ADMINISTRATIVE MGMT.
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LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

September 10, 1998

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

Attn: Ms. Kay Maddox

Re: Application for Downhole Commingling
State Well No. 3A
Unit Letter F, Section 32-29N-08W
Blanco Mesaverde and Blanco Pictured Cliffs Pools
San Juan County, New Mexico

Dear Ms. Maddox:

Your application to downhole commingle the Blanco Mesaverde and Blanco Pictured Cliffs production from within the wellbore of the above-captioned well was received on September 3, 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.

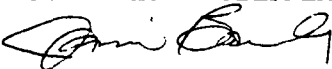
Your \$30.00 dollar filing fee has been received.

Please submit a copy of your approved Oil Conservation Division 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
pc: Reader File

OCD--Attention: David Catanach, Ben Stone

"WE WORK FOR EDUCATION"