

DHC 2095



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
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MINERAL RESOURCES
(505)-827-5744

ROYALTY
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State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
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(505)-827-5700

LEGAL
(505)-827-5713

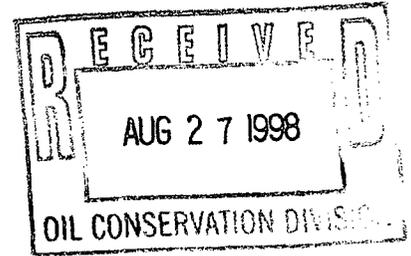
PLANNING
(505)-827-5752

August 25, 1998

Phillips Petroleum Company
5525 HWY 64
Farmington, New Mexico 87401

Attn: Mr. Mark W. Stodola

Re: Application for Downhole Commingling
San Juan 30-5 Unit Well No. 70
Unit Letter A, Section 9-30N-05W
San Juan 30-5 Unit Well No. 73
Unit Letter B, Section 10-30N-05W
Blanco Mesaverde and Basin Dakota Pools
Rio Arriba County, New Mexico



Dear Mr. Stodola:

Your application to downhole commingle the Blanco Mesaverde and Basin Dakota production from within the wellbore of the above-captioned wells was received on August 18, 1998.

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.

Please submit your \$30.00 dollar filing fee.

Also, please submit a copy of the Oil Conservation Division order approving this application.

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

RP/JB/cpm
Enclosure
pc: Reader File

©CD--Attention: David Catanach, Ben Stone

"WE WORK FOR EDUCATION"