

COMMISSIONER'S OFFICE

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SURFACE RESOURCES

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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

October 5, 1999

Richardson Operating Company
1700 Lincoln
Suite 1700
Denver, Colorado 80203

Attn: Mr. John C. Thompson

Re: Downhole Commingling Application
WF State 16 Well No. 1
Section 16-30N-14W
Basin Fruitland Coal and Harper Hill FRT Sand/Pictured Cliffs Ext. Pools
San Juan County, New Mexico

Dear Mr. Thompson:

Your application to downhole commingle the Basin Fruitland Coal and Harper Hill FRT Sand/Pictured Cliffs Ext. production from within the wellbore of the above-captioned well was received on July 30, 1999.

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.

This approval is subject to the condition that the operator submit the appropriate communization agreements for approval to this office.

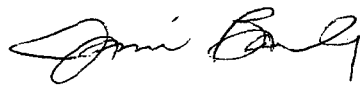
Please submit your \$30.00 dollar filing fee.

Also, please submit the appropriate approvals from the New Mexico Oil Conservation Division.

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
xc: Reader File

OCD--Attention: David Catanach, Ben Stone