



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772
October 13, 1999

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
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Santa Fe, New Mexico 87504-1148
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(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

Conoco, Inc.
P.O. Box 2197
DU 3066
Houston, Texas 77252-2197

Attn: Ms. Deborah Moore

Re: Downhole Commingling Application
San Juan 28-7 Unit-Well No. 249
Unit Letter H, Section 30-28N-07W
Otera Chacra and Basin Fruitland Coal Pools
Rio Arriba County, New Mexico

Dear Ms. Moore:

Your application to downhole commingle the Otera Chacra and Basin Fruitland Coal production from within the wellbore of the above-captioned well was received on September 20, 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.

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

"WE WORK FOR EDUCATION"