COMMISSIONER'S OFFICE Phone (505) 827-5760 Fax (505) 827-5766

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

DHC-2624

COMMERCIAL RESOURCES Phone (505) 827-5724 Fax (505) 827-6157

MINERAL RESOURCES Phone (505) 827-5744 Fax (505) 827-4739

ROYALTY MANAGEMENT Phone (505) 827-5772 Fax (505) 827-4739

SURFACE RESOURCES Phone (505) 827-5793 Fax (505) 827-5711

February 21, 2000

Phillips Petroleum Company 5525 Hwy 64 Farmington, New Mexico 87401

Attn: Mr. Mark Stodola

Re: Downhole Commingling Application

San Juan 29-6 Well No. 53

Unit Letter B, Section 31-29N-06W

Blanco Pictured Cliffs South and Blanco Mesaverde Pools

Rio Arriba County, New Mexico

Dear Mr. Stodola:

Your application to downhole commingle the Blanco Pictured Cliffs South and Blanco Mesaverde production from within the wellbore of the above-captioned well was received on January 13, 2000.

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 dollar 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

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

BLM