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DHC-2697

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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.**

April 13, 2000

Conoco, Inc.

P.O. Box 2197

Houston, Texas 77252-2197

Attn: Ms. Deborah Moore

Re: Downhole Commingling Application
San Juan 28-7 Unit Well No. 34
Unit Letter H, Section 1-27N-07W
Fruitland Coal, Mesaverde and Blanco Pictured Cliffs South Pools
Rio Arriba County, New Mexico

Dear Ms. Moore:

Your application to downhole commingle the Fruitland Coal, Blanco Mesaverde and Blanco Pictured Cliffs South production from within the wellbore of the above-captioned well was received on March 9, 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.

Also, please submit the appropriate approvals from the New Mexico Oil Conservation Division and the Bureau of Land Management

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: *Anthony H. Neal*
For 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

"WE WORK FOR EDUCATION"

310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148