

COMMISSIONER'S OFFICE

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OIL CONSERVATION DIV.

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

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

July 24, 2001

Conoco, Inc.

P.O. Box 2197

DU 3066

Houston, Texas 77252-2197

Attn: Ms. Deborah Moore

Re: Downhole Commingling Application
State Com "G" Well No. 3E
Unit Letter N, Section 32-29N-08W
Basin Dakota and Blanco Mesaverde Pools
San Juan County, New Mexico

Dear Ms. Moore:

Your application to downhole commingle the Basin Dakota and Blanco Mesaverde production from within the wellbore of the above-captioned well was received on January 21, 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.

Our approval is contingent upon Conoco submitting a communitization agreement for the Basin Dakota formation upon completion of the well for the S/2 of Section 32-29N-08W

Your \$30.00 filing fee has been received.

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