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

ADMINISTRATION Phone (505) 827-5700 Fax (505) 827-5853

GENERAL COUNSEL Phone (505) 827-5713 Fax (505) 827-4262

PUBLIC AFFAIRS Phone (505) 827-1245 Fax (505) 827-5766

June 14, 2002

Phillips Petroleum Company 5525 Hwy 64 Farmington, New Mexico 87401

Attn: Mr. Brad Peterson

Re: Downhole Commingling Application San Juan 29-5 Unit Well No. 61 Unit Letter H, Section 9-29N-05W Basin Fruitland Coal and Blanco Mesaverde Pools Rio Arriba County, New Mexico

Dear Mr. Peterson:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on June 14, 2002. Your application requests our approval to downhole commingle the Basin Fruitland Coal and Blanco Mesaverde production within the wellbore of the San Juan 29-5 Unit Well No. 61 located in Unit Letter Letter H, Section 9-29N-05W, Rio Arriba County, New Mexico.

Since it appears that 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 the production from the above-mentioned well 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,

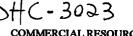
RAY POWELL, M.S., D.V.M. COMMISSIONER OF PUBLIC LANDS

BY

JAMI BAILEY, Director Oil, Gas and Minerals Division (505) 827-5744

RP/JB/cpm Enclosure xc: Reader File

## 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

QCD--Attention: David Catanach BLM "WE WORK FOR EDUCATION" 310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148