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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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July 31, 2007

XTO Energy Inc.
2700 Farmington Ave, Building K Suite 1
Farmington, New Mexico 87401

Attn: Ms. Holly C. Perkins

Re: Downhole Commingling Application
State Gas Com BP Well No. 1 E
Section 32-29N-09W API No. 30-045-25557
Blanco Mesaverde and Basin Dakota Pools
San Juan County, New Mexico

Dear Ms. Perkins:

Thank you for your application to downhole commingle the Blanco Mesaverde and Basin Dakota pools from the referenced well in San Juan County, New Mexico.

Since it appears that all the New Mexico Oil Conservation's (OCD) 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 application is approved. Any deviation from the substance of your application will be cause for rescinding our approval, and approval is subject to like approval by the OCD.

Please submit a copy of the OCD's approval order as soon as possible.

Please submit a filing fee in the amount of \$30.00.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/jm
Enclosure

xc: Reader File

OCD--David Catanach,

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University