

RECEIVED

JAN 23 2007



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

January 16, 2007

ConocoPhillips
P. O. Box 4289
Farmington, NM 87499-4289

Attention: Ms. Amanda Sanchez

Re: Application to Surface Commingle
Atlantic D Com B #3M
Unit C. Sec. 16-30N-10W
API # 30-045-33563
San Juan County, New Mexico

Dear Ms. Sanchez:

We are in receipt of your letter of December 15, 2006. Your letter requests our approval to downhole commingle the Basin Dakota and Blanco Mesaverde production from the above captioned well according to Oil Conservation Division Order Number 11363.

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 is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

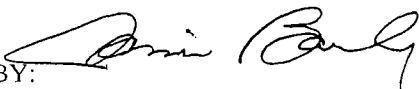
Please submit a copy of the New Mexico Oil Conservation Division's approval order.

Your 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,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

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

pc: Reader File, OCD-Attention: 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