

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



**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

November 7, 2002

Phillips Petroleum Company
5525 Highway 64, NBU 3004
Farmington, New Mexico 87401

Attn: Ms. Patsy Clugston

Re: Downhole Commingling Application
San Juan 30-5 Unit Well No. 110
Unit Letter A, Section 16-30N-05W
Blanco Mesaverde and Basin Dakota Pools
Rio Arriba County, New Mexico

30-039-25284

Handwritten initials

Dear Ms. Clugston:

Your application to downhole commingle the Blanco Mesaverde and Basin Dakota production from within the wellbore of the above-captioned well was received on October 29, 2002.

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 filing fee in the amount of \$30.00.

Also, please submit the appropriate approval 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

Signature of Jami Bailey

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



RP/JB/cpm
Enclosure
xc: Reader File

OCD--Attention: David Catanach BLM