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

Re:

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

March 4, 2002

Burlington Resources Oil & Gas Company P.O. Box 4289 Farmington, New Mexico 87499

Atm: Ms. Peggy Cole

Downhole Commingling Application

Sanchez A Com Well No. 1

Unit Letters H, Section 16-28N-09W

Basin Fruitland Coal and Aztec Pictured Cliffs Pools

San Juan County, New Mexico

45-07480

Dear Ms. Cole:

Your application to downhole commingle the Basin Fruitland Coal and Aztec Pictured Cliffs production from within the wellbore of the above-captioned well was received on February 11, 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.

Please submit your \$30.00 dollar filing fee.

Also, please submit a communitization agreement for the Fruitland Com formation covering the E/2 of Section 16-28N-09W for the Fruitland Coal formation.

In addition, please submit a copy of the Oil Conservation Division's approval order.

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

310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148