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JUN 01 2004

OIL CONSERVATION
DIVISION



Christina Gustartis
Agent for ConocoPhillips
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Fax: 832-486-2067

May 27, 2004

Mr. David Catanach
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Commingle Allocation for DHC Order #1305
Hamner Well No. 2A
API# 30-045-24161
Unit C, Sec. 28, T29N, R9W, NMPM
San Juan County, NM
Blanco-Mesaverde (Prorated Gas – 72319) and
Basin Dakota (Prorated Gas – 71599) Pools

Dear Mr. Catanach:

Attached is a copy of a letter dated December 4, 1998 from the OCD to Conoco regarding the subject well. Please note that the fixed commingle allocation factors should be as follows:

Blanco Mesaverde Gas Pool	Gas 72%	Oil 52%
Basin Dakota Gas Pool	Gas 28%	Oil 48%

The letter from the OCD reflects the opposite %'s for gas and oil and is incorrect. Please correct this and base our allocation on the above %'s. If you have any questions, please contact me at (832) 486-2463.

Sincerely,

A handwritten signature in cursive script that reads "Chris Gustartis".

Christina Gustartis
Agent for ConocoPhillips



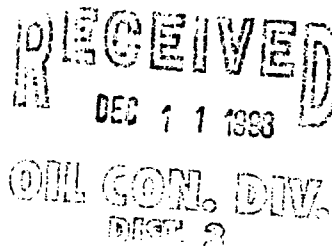
NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

2ND AMENDED ADMINISTRATIVE ORDER DHC-1305

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attention: Ms. Kay Maddox



*Hamner Well No. 2A
API No. 30-045-24161
Unit C, Section 28, Township 29 North, Range 9 West, NMPM,
San Juan County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Ms. Maddox:

Reference is made to your recent application for an amendment to Division Order No. DHC-1305 dated October 28, 1996, to amend the method by which production is allocated between the Basin-Dakota and Blanco-Mesaverde Gas Pools.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blanco-Mesaverde Gas Pool	Oil 72%	Gas 52%
Basin-Dakota Gas Pool	Oil 28%	Gas 48%

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

2nd Amended Administrative Order DHC-1305

Conoco Inc.

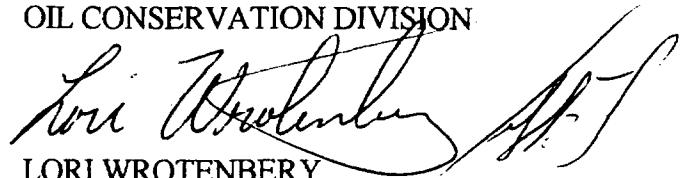
December 4, 1998

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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 4th day of December, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Aztec /
Bureau of Land Management-Farmington