

State of New Mexico Commissioner of Public Lands

RAY POWELL, M.S., D.V.M. COMMISSIONER

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February 4, 1998

Phillips Petroleum Company 5525 HWY 64 Farmington, New Mexico 87401

Attn:

Mr. Mark W. Stodola

Re:

Applications for Downhole Commingling

San Juan 30-5 Unit Well No. 27M

Blanco Mesaverde and Basin Dakota Pools Unit Letter C, Section 20-30N-05W Rio Arriba, New Mexico 87401

Dear Mr. Stodola:

We are in receipt of your January 9, 1998, downhole commingling application for the above-captioned well. Your application requests our approval to downhole commingle the Blanco Mesaverde and Basin Dakota production from within the wellbore of the San Juan 30-5 Unit Well No. 27M, located in Unit Letter C, Section 20-30N-05W.

Since it appears that all the New Mexico Oil Conservation Division 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 contingent upon like approval by 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

JAMI BAILEY

BY:

Oil, Gas and Minerals Division

(505) 827-5744

RP/JB/cpm Enclosure

xc: Reader File

OCD

BLM