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7/12/99

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SURFACE RESOURCES  
Phone (505) 827-5793  
Fax (505) 827-5711

**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

June 29, 1999

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

Attn: Mr. L. J. Biemer, Jr.

Re: Downhole Commingling Application  
San Juan 29-7 Unit Well No. 167  
Unit Letter M, Section 32-29N-07W  
Basin Fruitland Coal and Blanco Pictured Cliffs Pool  
Rio Arriba County, New Mexico

Dear Mr. Biemer:

Your application to downhole commingle the Basin Fruitland Coal and Blanco Pictured Cliffs production from within the wellbore of the above-captioned well was received on June 21, 1999.

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 copy of the Oil Conservation Division's Order approving this application.

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

A handwritten signature in dark ink, appearing to read "Jami Bailey", is written over the typed name.

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

RP/JB/cpm  
Enclosure  
xc: Reader File

OCD--Attention: David Catanach, Ben Stone