COMMISSIONER'S OFFICE Phone (505) 827-5760 Fax (505) 827-5766

ADMINISTRATION Phone (505) 827-5700 (505) 827-5853

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

COMMERCAL RESOURCES

DHC-2527

Phone (505) 827-5724 Fax (505) 827-6157

MINERAL RESOURCES Phone (505) 827-5744 (505) 827-4739

ROYALTY MANAGEMENT Phone (505) 827-5772 (505) 827-4739

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

November 15, 1999

Phillips Petroleum Company 5525 Hwy. 64 Farmington, New Mexico 87401

Attn:

Mr. Mark Stodola

Re:

Downhole Commingling Application San Juan 29-6 Unit Well No. 77 Unit Letter H, Section 22-29N-06W Blanco Mesaverde and Basin Dakota Pools

Rio Arriba County, New Mexico

Dear Mr. Stodola:

Your application to downhole commingle the Basin Dakota and Blanco Mesaverde production from within the wellbore of the above-captioned well was received on November 12, 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 and the Bureau of Land Management.

Please submit your \$30.00 dollar filing fee.

Also, please submit the appropriate approvals 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

JAMI BAILEY, Director

Oil, Gas and Minerals Division

(505) 827-5744

RP/JB/cpm Enclosure

xc: Reader File

OCD-Attention: David-Catanach, Ben Stone

BLM