

**COMMISSIONER'S OFFICE**

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

**COMMERCIAL RESOURCES**

Phone (505) 827-5724

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**MINERAL RESOURCES**

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**ROYALTY MANAGEMENT**

Phone (505) 827-5772

Fax (505) 827-4739

**SURFACE RESOURCES**

Phone (505) 827-5793

Fax (505) 827-5711

February 25, 2000

Phillips Petroleum Company  
5525 Hwy 64  
Farmington, New Mexico 87401

Attn: Mr. Mark Stodola

Re: Downhole Commingling Application  
San Juan 29 Unit Well No. 31B  
Unit Letter E, Section 10-29N-06W  
Basin Dakota and Blanco Mesaverde Pools  
San Juan 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 February 23, 2000.

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.

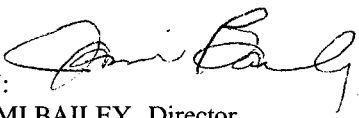
Also, please submit a copy of the Oil Conservation Division's approval order.

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

CCD--Attention: David Catanach, Ben Stone

BLM

*"WE WORK FOR EDUCATION"*

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