DHC-2723

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

April 13, 2000

Phillips Petroleum Company
5525 Hwy 64
Farmington, New Mexico 87401

Attn: Mr. Clint Hutchinson

Re: Downhole Commingling Application
       San Juan 30-5 Unit Well No. 83M
       Unit Letter C, Section 23-30N-05W
       Basin Dakota and Blanco Mesaverde Pools
       Rio Arriba County, New Mexico

Dear Mr. Hutchinson:

Your application of March 16, 2000, was received to downhole commingle the Basin Dakota and Blanco Mesaverde production from within the wellbore of the above-captioned well. 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 for 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

BY: Anthony H. Neal

Fox 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

"WE WORK FOR EDUCATION"
310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148