

COMMISSIONER'S OFFICE

Phone (505) 827-5760
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Phone (505) 827-5713
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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
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES

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

December 18, 2000

Conoco, Inc.
P.O. Box 2197
Houston, Texas 77252

Attn: Mr. Nigel Ramberansingh

Re: Downhole Commingling Application
State Com Well No. 47
Unit Letter L, Section 2-27N-08W
Pictured Cliffs, Otero Chacra and Blanco Mesaverde Pools
San Juan County, New Mexico

Dear Mr. Ramberansingh:

Your application to downhole commingle the Pictured Cliffs, Otero Chacra and Blanco Mesaverde production from within the wellbore of the above-captioned well was received on December 12, 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 upon Conoco Inc. submitting a communitization agreement for the Otero Chacra formation located in the SW/4 of Section 2-27N-08W.

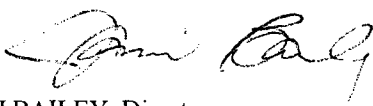
Please submit your \$30.00 dollar filing fee.

Also, please submit the appropriate approvals from the New Mexico Oil Conservation Division

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

OCD--Attention: David Catanach, Mark Ashley