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

DHC-3064
COMMERCIAL RESOURCES
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SURFACE RESOURCES
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November 5, 2002

Conoco, Inc.
P.O. Box 2197
WL3-3004
Houston, Texas 77252-2197

Attn: Ms. Deborah Marberry

Re: Downhole Commingling Application
State Com AD Well No. 26E
Unit Letter I, Section 36-29N-11W
Basin Dakota, Otero Chacra and Armenta Gallup Pools
San Juan County, New Mexico

Dear Ms. Marberry:

Your application to downhole commingle the Basin Dakota, Otero Chacra and Armenta Gallup production from within the wellbore of the above-captioned well was received on October 17, 2002.

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 filing fee.

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