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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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September 22, 2008

BP America Production Company
P. O. Box 3092
Houston, Texas 77253

Attention: Ms. Toya Colvin

Re: Application to Surface Commingle
Gallegos Canyon Unit Well No. 138E (Lot 4), 30-045-26155, Basin Dakota
Gallegos Canyon Unit Well No. 516 (Lot 4), 30-045-28063, W. Kutz Pictured Cliffs
Section 7, Township 28 North, Range 11 West
San Juan County, New Mexico

Dear Ms. Colvin:

We are in receipt of your NMOCD form C-103 dated September 18, 2007 wherein you have requested our approval to surface commingle the Basin Dakota and W. Kutz Pictured Cliffs production from the Gallegos Canyon Unit Well Nos. 138E and 516.

It is our understanding that the production from each well will be metered separately prior to being commingled.

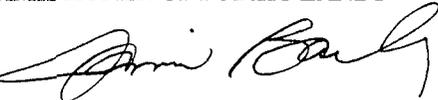
Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management. Please submit a copy of OCD's and BLM's approvals.

Your \$30.00 dollar filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/pm

pc: Reader File
OCD-Attention: Mr. Ed Matin
BLM-Farmington, Attn: Mr. Wayne Townsend

-State Land Office Beneficiaries -

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