



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
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PUBLIC AFFAIRS  
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ADMINISTRATIVE MGMT.  
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LEGAL  
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PLANNING  
(505)-827-5752

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

April 28, 1999

Questar- Universal Resources Corporation  
1331 17<sup>th</sup> Street, Suite 300  
Denver Colorado 80202

Attention: Ms. Jane Seiler

Re: Surface Commingling, Off-Lease Measurement and Storage  
South Lybrook Gas Gathering System  
Sandoval and San Juan Counties, New Mexico

Dear Ms. Seiler:

We are in receipt of your application for surface commingling and off-lease sales and measurement of gas and associated liquid hydrocarbons from the South Lybrook Gas Gathering System.

It is our understanding that your proposed surface commingling and off-lease measurement at a central delivery point is necessary to effectively and economically operate the 38 wells and extend the economic life of the properties. In addition, our approval will maximize royalties paid and will protect the rights of all interest owners.

Since it appears that the Bureau of Land Management has approved your application and all the New Mexico Oil Conservation Division's rules and regulations have been complied with, your request 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.

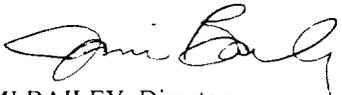
Please submit a thirty dollar filing fee.

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/pm

pc: Reader File, OCD-Attention: David Catanach, Ben Stone,  
BLM-Farmington Attn: Mr. Duane Spencer