



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

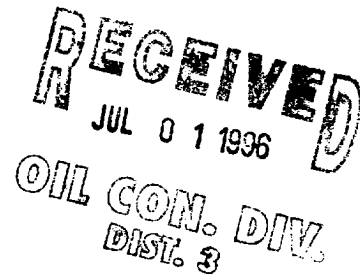
June 20, 1996

IN REPLY REFER TO:

SF-077106

3162.3-2 (07327)

Pamela W. Staley
Amoco Production Company
P.O. Box 800 1670 Broadway
Denver, Colorado 80201



Dear Ms. Staley:

We have reviewed your application to commingle production downhole from the Blanco Mesaverde and the Otero Chacra Pools in the following well located on Federal lease No. SF-077106:

Lackey "B" LS #4 A
790' FNL, 790' FEL, Section 29, T-28N, R-9W
San Juan County, New Mexico

Based on production profiles from both formations for the past twelve months, allocation based on percentages would not be equitable. Our analysis indicates that the decline rate for Mesaverde production is about 15% greater than the decline rate for Chacra production. Production rates from the Chacra formation are stable with an established decline rate. Please allocate commingled production from this well based on extrapolated production from the Chacra with the remainder of monthly production allocated to the Mesaverde formation.

Your application to commingle production is hereby approved based on the procedure described above, and will be effective on the date that actual commingling occurs.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions regarding this correspondence, please contact Ray Hager at (505) 599-6366.

Sincerely,
/s/ Duane Spencer
Duane Spencer
Team Lead, Petroleum Management

bcc:

New Mexico Oil Conservation Division, Santa Fe

New Mexico Oil Conservation Division, Aztec

DOM Reader

AIRS

07327:RHager: 06/20/96 :x366:Lackey#4.ltr

Well File (SF-077106, Lackey "B" LS #4, 790 FNL, 790 FEL, Section 29, T-28N, R-9W) W/Application