



Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401

IN REPLY REFER TO: NMSF078414 3162.7 (07100)

Ms. Mary Corley Amoco Production Company P.O. Box 3092 Houston, TX 77253

RE: Downhole Commingling Applications

Dear Ms. Corley:

We have received your Applications for Downhole Commingling of the Blanco Mesaverde and Basin Dakota formations in the following wells:

Well	Lease	Legal Location	Proposed Commingled Formations
No. 2 Day	NMSF078414	2340' FNL & 1450' FEL Sec. 8, T29N, R8W	Mesaverde & Dakota
No. 4E Day	NMSF078414	845' FSL & 2175' FWL Sec. 8, T29N, R8W	Mesaverde & Dakota

We are in concurrence with your method of allocating production by extrapolating the decline rate on the Dakota Formation and allocating the remainder of the production volume to the Mesaverde formation. (subtraction method) We are also in agreement with your Dakota decline rate. We hereby approve your applications for downhole commingling on the above wells. The effective date will be the date downhole commingling occurs.

If Amoco Production Company determines fixed allocation factors, submit the factors for approval.

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

Sincerely,

Wayne Townsend Petroleum Engineer

Petroleum Management Team

June 1, 2000

cc: NMOCD, Santa Fe, NM

