



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 23, 1999

Robert L. Bayless
P.O. Box 168
Farmington, New Mexico 87499

Attention: Mr. Kevin H. McCord

Re: DHC Application
Juhan Well No. 1
Unit G, Section 29, T-30N, R-12W
San Juan County, New Mexico

Dear Mr. McCord:

Please be advised that the Division has received an objection to the allocation method proposed in your downhole commingling application (Form C-107-A) filed for the Juhan Well No. 1 on January 29, 1999. This valid objection will preclude administrative approval of your application. Please inform the Division at your earliest convenience whether you wish to pursue approval of your application at an Examiner hearing.

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

David Catanach
Engineer

Xc: OCD-Aztec