



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

DEC 22 1999

RECEIVED  
DEC 28 1999

OIL CON. DIV.  
DIST. 3

IN REPLY REFER TO:

NMSF078472  
3162.3-2 (07100)

Phillips Petroleum Company  
Attn.: Clint Hutchinson  
5525 Hwy., 64 NBU 3004  
Farmington NM 87401

Re: No. 14 SJ 32-7 Unit  
SENE 28-32N-7W  
San Juan Co., NM  
Lease No. SF-078472

Dear Mr. Hutchinson:

Reference is made to your application for down hole commingling of gas from the Pictured Cliffs and the Mesaverde Formations in the above referenced well. After reviewing your application we concur with the interim use of the subtraction method for allocation of production between zones. Production allocation attributable to the Pictured Cliffs Formation will be based on the difference in the forecasted Mesaverde production and the commingled gas stream of both intervals.

Commingled production from each zone must be reported in accordance with the allocation procedure described above. Once stabilized production is established, please file your application for fixed allocation factors for both the Pictured Cliffs and the Mesaverde Formations. The effective date will be the date down hole commingling actually occurs.

If you have any questions regarding the above, contact Jim Lovato at (505) 599-6367.

Sincerely,

Stephen Mason  
Acting Team Leader, Petroleum Management Team

cc:  
NMOCD, Santa Fe  
NMOCD, Aztec