

OIL CONSERVATION DIVISION
RECEIVED

1994 OCT 14 AM 8 52

DHC-1028

SF-078378 (GC)
3162.7 (07327)

OCT 14 1994

Mr. Arden L. Walker, Jr.
Regional Production Engineer
Meridian Oil Incorporated
P.O. Box 4289
Farmington, NM 87499

Dear Mr. Walker:

We have received your application dated July 18, 1994, for commingling of the Pictured Cliffs and Fruitland Coal formations in the No. 4A Lucerne A, 975' FNL and 1485' FWL of Sec. 10, T. 31 N., R. 10 W., Federal Lease No. SF-078389, San Juan County, New Mexico, NMPM.

We have reviewed the analysis presented in your application and agree that downhole commingling is a viable alternative to prematurely abandoning this well.

We hereby approve downhole commingling of the Pictured Cliffs and Fruitland Coal formations as submitted in your application.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

/s/ Duane Spencer

Duane W. Spencer
Chief, Branch of Reservoir Management

bcc:
NMOCD, Santa Fe, NM