

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO: SF-077833 (WF) ISEC-841 (CA) 3162.7-3 (07327) July 1, 1996

Ms. Pamela W. Staley Amoco Production Company P.O. Box 800 Denver, CO 80201

RE: Downhole Commingling Application
No. 2A Florance
790' FSL & 1475' FEL, Section 20-T30N-R8W
San Juan County, New Mexico

Dear Ms. Staley:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated June 12, 1996, for downhole commingling of the Basin Fruitland Coal and Blanco Mesaverde in the above referenced well.

Your application stated that historical data will be used in determining the allocation percentage for each formation. Presently, the Fruitland Coal is producing 80 MCFD and 0.0 BCPD and the Mesaverde is producing 430 MCFD and .21 BCPD from comparable offset well . Corrected bottom hole pressures are 112 psi for the Mesaverde and 143 psi for the Fruitland. Using these values, the fixed percentage for allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Basin Fruitland Coal	15%	0%
Blanco Mesaverde	75%	100%

Approval to downhole commingle the Basin Fruitland Coal and Blanco Mesaverde formations for the above referenced well is hereby granted.

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

Sincerely,

Ist Duane Spancer

Duane W. Spencer Team Leader, Petroleum Management

bcc: NMOCD, Santa Fe Well File (No. 2A Florance, 790'FSL & 1475' FEL, Sec 20-T30N-R8W) CA File NM 73124 DOMR Suspense (Brian) AIRS

07237:BWDavis:03/27/96:x6367:staleyflorance2a.1tr