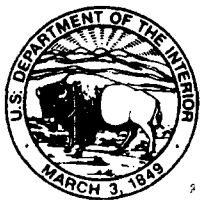


DHC 1408



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED
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IN REPLY REFER TO:

NM-012202 (WF)
3162.7-3 (07327)

December 27, 1996

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

RE: Downhole Commingling Application
No. 3 Bolack "B" L.S.
790' FSL & 2200' FWL
Section 33, T. 28 N., R. 8 W.
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 October 22, 1996, applying for downhole commingling approval for the South Blanco Pictured Cliffs and the Blanco Mesaverde Pools in the above referenced well.

For August 1996, the Pictured Cliffs formation was producing 36 Mcfd and 0 Bcpd with a BTU value of 1121 and the Mesaverde formation was producing 68 Mcfd and .5 Bcpd with a BTU value of 1299 and API gravity of 49 degrees. Corrected bottom hole pressures are 300 psi for the Pictured Cliffs and 450 psi for the Mesaverde. Using these values, the fixed percentage for allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
South Blanco Pictured Cliffs	35%	0%
Blanco Mesaverde	65%	100%

Approval to downhole commingle the Mesaverde and Pictured Cliffs 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,

/s/ Joe Hewitt

FOR Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Santa Fe