

DH C-1426



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

January 29, 1997

IN REPLY REFER TO:

NMNM0338690 (WF)
3162.7-3 (07327)

Mr. Paul C. Thompson
~~Thompson Engineering~~
7415 East Main
Farmington, NM 87402

RE: ~~Downhole Commingling~~
~~No. 3 Federal 11~~
1465' FSL and 1184' FEL
Section 11, T. 28 N., R. 13 W.
San Juan County, New Mexico

Dear Mr. Thompson"

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letters dated December 9, 1996 and January 2, 1997, requesting approval for downhole commingling of the Basin Fruitland Coal and West Kutz Pictured Cliffs formations in the above referenced well.

For September 1996, the Pictured Cliffs formation was producing 92 Mcfd with a bottom hole pressure of 180 psi while for November 1996, the Fruitland Coal was producing 30 Mcfd with a bottom hole pressure of 175 psi. Both zones are marginal, so the average cumulative production for surrounding Pictured Cliffs wells (706,160 Mcf) and Fruitland Coal wells (454,079 Mcf) were used to determine a fixed percentage allocation.

FORMATION	GAS PRODUCTION
Basin Fruitland Coal	39.1%
West Kutz Pictured Cliffs	60.9%

After review, we hereby approve your application for downhole commingling the Basin Fruitland Coal and the West Kutz Pictured Cliffs in the referenced well.

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

Sincerely,

/s/ Duane W. Spencer

Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Santa Fe); DOMR; Suspense (Brian); AIRS
Well File (No. 3 Federal 11, 1465' FSL&1184'FEL,11-28N-13W)

07237:BWDavis:01/29/97:x6367:Thomsponfed11No.3.ltr