



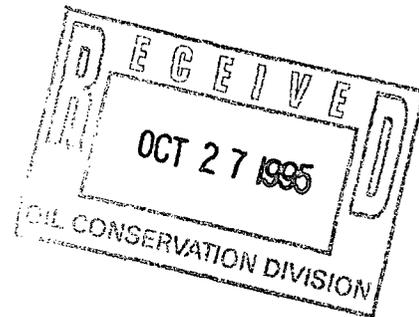
# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

October 23, 1994

IN REPLY REFER TO:  
SF079161  
3162.7-3 (07327)



Mr. Thomas W. DeLong  
Superintendent/Engineer  
Central Resources, Inc.  
2600 Mellon Center  
1775 Sherman Street  
Denver, CO 80203-4313

RE: Federal Lease SF-079161  
Downhole Commingling Application  
No. 24 Candado  
1070' FSL and 830' FWL  
Section 9, T. 26 N., R. 7 W.  
Rio Arriba County, New Mexico

Dear Mr. DeLong

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated October 11, 1995 for downhole commingling of the Otero Chacra and Blanco Mesaverde Formations in the above referenced well.

Your application has been reviewed and approval is hereby granted. Allocated production for the Chacra formation will continued to be reported on a lease basis and production from the Mesaverde formation will continued to be reported on communitization agreement SCR 53. Production from each formation will be allocated as follows:

|                                     |          |                                      |                      |
|-------------------------------------|----------|--------------------------------------|----------------------|
| Chacra Formation Gas Production:    | $Q_{CH}$ | =                                    | $26\% * Q_{t(gas)}$  |
| Chacra Formation Oil Production:    | $Q_{CH}$ | =                                    | $0\% * Q_{t(oil)}$   |
| Mesaverde Formation Gas Production: | $Q_{MV}$ | =                                    | $74\% * Q_{t(gas)}$  |
| Mesaverde Formation Oil Production: | $Q_{MV}$ | =                                    | $100\% * Q_{t(oil)}$ |
| $Q_{t(gas)}$                        | =        | Total monthly production (Mcf/month) |                      |
| $Q_{t(oil)}$                        | =        | Total Monthly production (BO/month)  |                      |

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  
Team Leader, Petroleum Management Team

bcc:  
NMOO, Santa Fe, NM