



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

October 10, 1997

IN REPLY REFER TO:

SF-078046 (WF)

3162.3-2 (07400)

Mr. Jim P. Shaheen
Business Analyst
Amoco Production Company
200 Amoco Drive
Farmington, NM 87401

No. 7A Hughes "B"
1450' FNL & 1750' FWL
Section 29, T. 29 N., R. 8 W.
San Juan County, New Mexico

Dear Mr. Shaheen:

We have reviewed your request to convert your allocation method from a subtraction method to a fixed allocation method. Allocation is approved using the fixed percentage allocation shown in the table below.

FORMATION	GAS	OIL	WATER
Pictured Cliffs	3.5%	50.0%	50.0%
Mesaverde	96.5%	50.0%	50.0%

If you have further questions regarding this matter, please contact Brian W. Davis at 505-599-6357.

Sincerely,

/s/ Duane W. Spencer

Duane W. Spencer
Team Lead, Petroleum Management

bcc:

NMOCD, Santa Fe; Suspense (Brian); DOMR;
Well File (No. 7A Hughes "B", 1450' FNL/1750' FWL, 29-29N-8W)

07400:BWDavis:x367:10/10/97:AMOCOHUGHES7A.LTR