



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

PERMISSION DIVISION
RECEIVED

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March 27, 1996

IN REPLY REFER TO:
NM-03380
3162.7-3 (07327)

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

RE: Federal Lease NM-03380
Downhole Commingling Application
Basin Dakota and Blanco Mesaverde Pools
Florance #63E/FLorance D #10R
980' FNL & 1770' FEL. Section 17-T27N-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 March 7, 1996, for downhole commingling of the Blanco Mesaverde and Basin Dakota Pools in the above referenced well.

Your application stated that historical data will be used in determining the allocation percentage for each formation. Presently, the Dakota formation is producing 50 MCFD and .2 BCPD and the Mesaverde is estimated to produce 70 MCFD and .25 BCPD from comparable offset well. Corrected bottom hole pressures are 550 psi for the Mesaverde and 709 psi for the Dakota. Using these values, the fixed percentage for allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Blanco Mesaverde	58%	50%
Basin Dakota	42%	50%

Approval to downhole commingle the Blanco Mesaverde and Basin Dakota 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,

Duane W. Spencer

Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Santa Fe