

DHC-1272



United States Department of the Interior

OIL CONSERVATION DIVISION
BUREAU OF LAND MANAGEMENT RECEIVED
Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

APR 23 1996 8 52

April 23, 1996

IN REPLY REFER TO:
SF-077082
3162.3-2 (07327)

Pamela W. Staley
Amoco Production Company
P.O. Box 800 1670 Broadway
Denver, Colorado 80201

Dear Ms. Staley:

We have reviewed your application to commingle production downhole from the Blanco Mesaverde and the Basin Dakota Pools in the following well:

Gerk Gas Com "B" #1M
160' FSL, 790' FWL, Section 19, T-29N, R-9W
San Juan County, New Mexico

Mesaverde production is communitized and reports to CA # 14080015261. Dakota production is communitized and reports to CA # SW 259. The Dakota formation has been productive since November 1982 and has a well established decline rate. Previous production from the Mesaverde formation (shut-in since November 1993) has declined at a much higher rate than the decline exhibited from Dakota production. To accurately allocate commingled production, Dakota production must be extrapolated and remaining production allocated to the Mesaverde until both formations are declining at the same rate. When this occurs, allocation can be converted to percentages. Please notify this office when allocation factors are changed. Your Application to commingle is hereby approved using the above formula to allocate production.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions regarding this correspondence, please contact Ray Hager at (505) 599-6366.

Sincerely,
/s/ Duane Spencer
Duane Spencer
Team Lead, Petroleum Management Team

bcc:
New Mexico Oil Conservation Division, Santa Fe
New Mexico Oil Conservation Division, Aztec
07327:RHager: 04/23/96 :x366:Gerk.ltr

DOM Reader
AIRS
CA # NM-73900
CA # NM-73499

Well File (SF-077082, Gerk GC B #1M, 160 FSL 790 FWL Sec 19, T-29N, R-9W) W/Application