



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

December 31, 1996

IN REPLY REFER TO:
SF-077383-A (WF)
3162.7-3 (07327)

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

RE: Downhole Commingling Application
No. 2 Kutz Deep Test "C"
1500' FNL & 1750' FWL
Section 27, T. 28 N., R. 10 W.
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 October 23, 1996, applying for downhole commingling approval for the Kutz Fruitland Sand and Flulcher Kutz Pictured Cliffs and Pools in the above referenced well.

For August 1995, the Fruitland Sand produced 40 Mcfd with a BTU value of 1000. For October 1995, the Pictured Cliffs was producing 60 Mcfd with a BTU value of 1000. Corrected bottom hole pressures are 270 psi for the Fruitland Sand and 330 psi for the Pictured Cliffs. Any oil production will be allocated to the Pictured Cliffs formation. Using these values, the fixed percentage for allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Fruitland Sand	40%	0%
Pictured Cliffs	60%	100%

Approval to downhole commingle the Fruitland Sand and Pictured Cliffs 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,

/s/ Duane W. Spencer

Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Santa Fe