



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

January 27, 1997

IN REPLY REFER TO:
SF-079296 (WF)
3162.7-3 (07327)

Mr. Jerry W. Hoover

Conoco Inc.

10 Desta Drive, Suite 100W
Midland, TX 79705-4500

RE: Downhole Commingling
No. 5 Buttram Federal
790' FSL & 855' FEL, Sec. 19, T. 26 N., R. 6 W.
Rio Arriba County, New Mexico

Dear Mr. Hoover:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your correspondence dated December 17, 1996, for downhole commingling of the South Blanco Pictured Cliffs and Otero Chacra Formations in the above referenced well.

The current bottom hole pressure for the Chacra formation is 160 psia and the estimated bottom hole pressure for the Pictured Cliffs formation is 250 psia. Allocation for this well will be made using the subtraction method. Gas production will be projected for the Chacra formation and the Pictured Cliffs formation will be calculated by taking the difference of the actual total production and the projected Chacra production. Liquid production will be calculated in the same manner.

Approval to downhole commingle the Blanco Pictured Cliffs and Otero Chacra formations for the above referenced well is hereby granted.

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 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; DOMR; Suspense; AIRS;
Well File (No. 5 Buttram Federal, 790' FSL & 855' FEL, Sec. 19, T. 26 N., R. 6 W.)

07237:BWDavis:01/24/97:x6367:Conoco5ButtramFed.ltr