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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

September 12, 1997

IN REPLY REFER TO:

NMSF 079295(WF)
3162.7-3 (07400)

Mr. Jerry W. Hoover
Senior Conservation Coordinator
Conoco Inc.
10 Desta Drive, Ste. 100W
Midland, TX 79705-4500

RE: Downhole Commingling
No. 2 Reames Com
950' FNL & 1765' FEL
Sec. 19, T. 26 N., R. 6 W.
Rio Arriba County, New Mexico

Dear Mr. Hoover:

Your application to downhole commingling the Blanco Mesaverde and Basin Dakota formations in the referenced well has been reviewed. Gas allocation will be determined by using projected gas production and oil allocation will be determined by cumulative oil production yields. Approval to downhole commingling is hereby granted using a fixed percentage allocation as shown below.

FORMATION	GAS ALLOCATION	OIL ALLOCATION
Mesaverde	51%	59%
Dakota	49%	41%

If you have further questions regarding this correspondence, contact Brian W. Davis at (505) 599-6367.

Sincerely,

/s/ Brian W. Davis

FO
Duane W. Spencer
Team Leader, Petroleum Management

bcc:

NMOCD, Santa Fe; DOMR; Suspense (Brian);
Well File(No. 2 Reames Com, 950'FNL & 1765' FEL,19-26N-6W)
CAFiles (NMNM76330, NMNM76338)

07400:BWDavis:-9/12/97:x367:conocoReamesCom2.ltr