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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 079296 (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. 11E Federal
1190' FSL & 1190' FEL
Sec. 23, 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	33%	69%
Dakota	67%	31%

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

Sincerely,

/s/ Brian W. Davis

For Duane W. Spencer
Team Leader, Petroleum Management

bcc:

NMOCD, Santa Fe; DOMR; Suspense (Brian);
Well File(No. 11E Federal,1190'FSL&1190'FEL,23-26N-6W)
CAFiles (NMNM76139, NMNM73929)

07400:BWDavis:-9/12/97:x367:conocoFederal11E.ltr