

DHC-2661



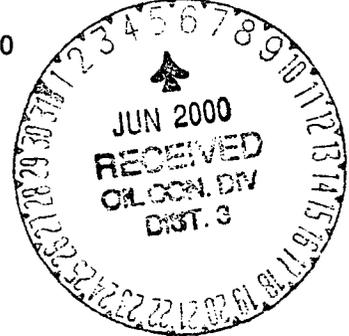
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
NMSF078414
3162.7 (07100)

June 1, 2000



Ms. Mary Corley
Amoco Production Company
P.O. Box 3092
Houston, TX 77253

RE: Downhole Commingling Applications

Dear Ms. Corley:

We have received your Applications for Downhole Commingling of the Blanco Mesaverde and Basin Dakota formations in the following wells:

Well	Lease	Legal Location	Proposed Commingled Formations
No. 2 Day 30-045-23361	NMSF078414	2340' FNL & 1450' FEL Sec. 8, T29N, R8W	Mesaverde & Dakota
No. 4E Day 30-045-25323	NMSF078414	845' FSL & 2175' FWL Sec. 8, T29N, R8W	Mesaverde & Dakota

We are in concurrence with your method of allocating production by extrapolating the decline rate on the Dakota Formation and allocating the remainder of the production volume to the Mesaverde formation. (subtraction method) We are also in agreement with your Dakota decline rate. We hereby approve your applications for downhole commingling on the above wells. The effective date will be the date downhole commingling occurs.

If Amoco Production Company determines fixed allocation factors, submit the factors for approval.

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

Sincerely,

Wayne Townsend
Petroleum Engineer
Petroleum Management Team

cc: NMOCD, Santa Fe, NM
NMOCD, Aztec, NM