



# 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  
SF-078707 et al. (wc)  
3162.7 (07100)

April 8, 2003

Kay S. Eckstein  
Cordillera Energy, Incorporated  
5802 Highway 64  
Farmington, NM 87401



Re: Application requesting authorization to downhole commingle:

Dear Ms.Eckstein:

Reference is made to your application requesting authorization to downhole commingle gas from the wells listed below. After reviewing the production history for the wells listed, we have determined that the proposed commingled formations have similar projected decline rates, pressures, and fluid compatibility. As such, we hereby approve your request for commingling. The effective date is the date the downhole commingling actually occurs. In the case where oil allocations were not provided, it was agreed upon that the proportions established for gas would also be used for oil.

Well Name	Location	API #	Lease Number	Formation Allocation	Formation Allocation
Duke # 1B	0 sec 13, T31N, R13W	3004531062	SF -078707	MV gas 70% oil 00%	DK gas 30% oil 00%
Arnstein # 1B	D sec 18, T31N, R13W	3004531029	SF -078243	MV gas 48% oil 00%	DK gas 52% oil 00%
Southern Union 1B	K sec 19, T31N, R12W	3004531129	SF- 078244	MV gas 60% oil 00%	DK gas 40% oil 00%
Southern Union 1C	0 sec 19, T31N, R12W	3004531069	SF - 078244	MV gas 63% oil 00%	DK gas 37% oil 00%
Williams # 1C	E sec 24, T31N, R13W	3004531070	SF - 078464	MV gas 32% oil 00%	DK gas 68% oil 00%

1134A2

1133A2

1136A2

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1135A2

If you have any questions, please contact Matt Halbert, at (505) 599-6350 or the undersigned at (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato

Team Leader, Petroleum Management Team

cc

NMOCD, Aztec, NM  
NMOCD, Santa Fe, NM