



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

April 22, 1996

IN REPLY REFER TO:

Fee/Gerk

3162.3-2 (07327)

Pamela W. Staley
Amoco Production Company
P.O. Box 800, 1670 Broadway
Denver, Colorado 80201

Dear Ms. Staley:

We have reviewed your application to commingle production downhole from the Otero Chacra and the Basin Dakota Pools in the following well:

**Gerk Gas Com "B" #1
1450' FNL, 1720' FEL, Section 30, T-29N, R-9W
San Juan County, New Mexico**

The acreage dedicated to this well contains portions of Federal Lease SF-077082. Amoco plans to commingle production from the Chacra formation (which has not been completed) with established Dakota production. Your plan to allocate Dakota production based on extrapolation of the established decline rate, with the remainder of production allocated to the Chacra formation, is hereby approved effective the date that production is physically commingled. Allocation may be changed to percentages when both formations are declining at similar rates. Please notify this office when allocation is converted to percentages.

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 any questions regarding this correspondence, please contact Ray Hager at (505) 599-6366.

Sincerely,

[Signature]

Duane Spencer

Team Lead, Petroleum Management

bcc:

New Mexico Oil Conservation Division, Santa Fe
New Mexico Oil Conservation Division, Aztec
07327:RHager: 04/22/96 :x366:gerk.ltr

AIRS

DOM Reader

Production Accountability (070)

Well File (FEE, Gerk Gas Com "B" #1, 1450 FNL, 1720 FEL, Section 30, T-29N, R-9W) W/Application

