

DHC 1125



United States Department of the Interior

OIL CONSERVATION DIVISION
RECEIVED BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401
1995 JUN 6 AM 8 52

May 24, 1995

IN REPLY REFER TO:
SF-077106
3162.3-2 (07327)

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

Dear Ms. Staley:

We have reviewed your application to downhole commingle Basin Dakota, Blanco Mesaverde, and Otero Chacra production in the following well:

Lackey B No. 13M
1025' FNL, 1655' FWL
Section 20, T-28N, R-9W
San Juan County, New Mexico

We concur with your method of allocating combined production from all three zones based on stabilized rates. Gas analysis, API gravity of produced crude (if any), and actual (measured or calculated) bottom hole pressure from all zones would be required if production from any zone was combined with acreage that is not 100% Federal. This office received your notice of intent to re-complete on December 20, 1994.

When Mesaverde and Chacra production has stabilized and production is combined, please submit allocation percentages for oil, gas, and water production from all three formations. Your Application to downhole commingle production from the Basin Dakota, Blanco Mesaverde, and Chacra formations in the Lackey B No. 13M is hereby approved and will become effective on the actual date that production is combined.

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

Sincerely,

/s/ Duane Spencer

Duane Spencer
Chief, Branch of Reservoir Management

cc:
New Mexico Oil Conservation Division, Santa Fe ✓
New Mexico Oil Conservation Division, Aztec