



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:

SCR-115, SCR-116 (CA)  
3162.7-3 (07327)

August 2, 1996

Mr. Jerry W. Hoover  
Sr. Conservation Coordinator  
Conoco Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500

RE: No. 3 Gage  
1830' FNL & 1795' FEL, Sec 20-T30N-R10W  
Blanco Mesa Verde and Basin Dakota  
San Juan County, New Mexico

Dear Mr. Hoover:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your correspondence on July 26, 1996, for downhole commingling of the Blanco Mesaverde and Basin Dakota in the above referenced well.

The Dakota formation had a 1996 mid-year production average of 69 Mcfpd and a yield of .0003 BO/Mcf, with a bottom hole pressure of 764 psi and a BTU value of 1032. The Mesaverde formation had a 1996 mid-year range of 75 Mcfpd and a yield of .0017 BO/Mcf, with a bottom hole pressure of 472 psi and a BTU value of 1180. Using these figures, the allocation for this well will be as follows:

Formation	Gas Allocation	Oil Allocation
Dakota	48%	15%
Mesaverde	52%	85%

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 further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

/s/ Duane Spencer

Duane W. Spencer  
Chief, Branch of Reservoir Management

bcc:

NMOCD, CA NMNM76140, NMNM76141  
DOMR, Suspense (Brian), AIRS

07327:BWDavis:8/2/96:x367:conocogage3.ltr