

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: SRM 1325 et. al. (CA) 3162.7-3 (07327) September 5, 1996

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

RE:

Communitization Agreement SRM 1325 (PC)
Communitization Agreement 14080011161 (MV)
No. 2A Johns Federal Com
1810' FSL & 800' FEL, Sec 18-T32N-R11W
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 29, 1996, for downhole commingling of the Pictured Cliffs and Mesaverde Pools in the above referenced well.

The Pictured Cliffs formation had a 1996 mid-year production average of 83 Mcfgpd with a bottom hole pressure of 340 psi and a BTU value of 1158. The Mesaverde formation had a 1996 mid-year range of 258 Mcfgpd and a yield of .0009 bbl/mcf, with a bottom hole pressure of 355 psi and a BTU value of 1171. Using these figures, the allocation for this well will be as follows:

Formation	Gas Allocation	Oil Allocation
Pictured Cliffs	24%	0%
Mesaverde	76%	100%

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,

Is/ Duane Spencer

Duane W. Spencer Chief, Branch of Reservoir Management

bcc: NMOCD ✓