



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:
NMA29 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 NMA29 (CH)
Communitization Agreement 14080016906 (DK)
No. 1E Nye Com
1730' FNL & 1090' FWL, Sec 32-T29N-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 Otero Chacra and Basin Dakota in the above referenced well.

The Dakota formation had a 1996 mid-year production average of 127 Mcfgpd and a yield of .0087 bbl/mcf, with a bottom hole pressure of 309 psi and a BTU value of 1235. The Chacra formation had a 1996 mid-year range of 32 Mcfgpd with a bottom hole pressure of 411 psi and a BTU value of 1157. Using these figures, the allocation for this well will be as follows:

Formation	Gas Allocation	Oil Allocation
Dakota	80%	100%
Chacra	20%	0%

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 ✓