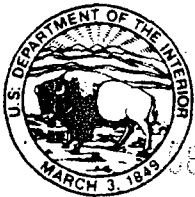


DHC-1386



United States Department of the Interior

CONSERVATION DIVISION

RECEIVED

BUREAU OF LAND MANAGEMENT

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

OCT 18 1996

IN REPLY REFER TO:

SF-078049 (WF)
3162.7-3 (07327)

October 16, 1996

Ms. Pamela W. Staley
Amoco Production Company
P.O. Box 800
Denver, CO 80201

RE: Downhole Commingling Application
No. 1E Hughes "A"
1810' FNL & 1080' FWL
Section 27, T. 29 N., R. 8 W.
San Juan County, New Mexico

Dear Ms. Staley:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated September 20, 1996, applying for downhole commingling approval for the Blanco Mesaverde and Basin Dakota Pools in the above referenced well.

For August 1996, the Dakota formation produced 18 MCFD and .2 BCPD with a BTU value of 1234. The Mesaverde formation is estimated to have production of 500 MCFD and 5 BCPD with a BTU value of 1190 from comparable offset production. Bottom hole pressure for the Dakota formation is 1151 psi, and the Mesaverde formation is 598 psi. Using these values, the fixed percentage for allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Mesaverde	96%	96%
Dakota	4%	4%

Approval to downhole commingle the Mesaverde and Dakota formations for the above referenced well is hereby granted.

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

Sincerely,

/s/ Duane W. Spencer

Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Santa Fe ✓