

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: SF-078507 (WF) 3162.7-3 (07327) December 2, 1996

Peggy Bradfield
Regulatory/Compliance Administrator
Meridian Oil
P.O. Box 4289
Farmington, NM 87499-4289

RE: Downhole Commingling Application
Pictured Cliffs and Mesaverde Formations
No. 3 San Juan 32-9 Unit
1190' FNL & 820' FEL
Section 1, T. 31 N., R. 9 W.
San Juan County, New Mexico

Dear Ms. Bradfield:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter September 30, 1996, requesting approval for downhole commingling of the Basin Pictured Cliffs and Blanco Mesaverde formations in the above referenced well.

After review, we hereby approve your application for downhole commingling. Please submit the allocation factors for this well once you have made your determination.

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