

DH C/1402



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

December 2, 1996

IN REPLY REFER TO:

NM-11580 (WF)

3162.7-3 (07327)

Mr. Gary W. Brink
Petroleum Engineer
Dugan Petroleum Company
P.O. Box 420
Farmington, NM 87499-0420

RE: No. 6-KR
990' FSL and 1850' FWL
SESW Section 19-T27N-R13W
San Juan County, New Mexico

Dear Mr. Brink:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated October 24, 1996, for downhole commingling of the Basin Fruitland Coal and WAW Fruitland Sand Pictured Cliffs in the above referenced well.

Your application states that the WAW Fruitland Sand PC has average daily production of 3 MCFD, with an estimated bottom hole pressure of 121 Psi. The Basin Fruitland Coal is to be completed and then both zones will be stimulated and production will commence. From offset production, it is estimated that the Fruitland Coal will average about 1 MCFD.

Approval to downhole commingle is hereby granted. Production from the commingled zones will be allocated at 75% to the WAW Fruitland Sand PC and the remaining 25% to the Basin Fruitland Coal.

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 ✓