

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: SJ 27-5 Unit (PC PA, MV PA) 3162.7-3 (07327)

January 29, 1997

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

RE: Downhole Commingling Application

No. 41, 1650' FSL & 1650' FWL, Section 21 = 1500' FSL & 1650' FWL, Section 21

No. 47, 1500' FSL & 1750' FWL, Section 18 - bHc - 141 No. 48, 1650' FSL & 1650' FWL, Section 19 - AHC - 1413

No. 49, 1090' FNL & 800' FWL, Section 18 - DHC-1414

No. 50, 1650' FNL & 1840' FEL, Section 19 - DHC - 1415

Township 27 North, Range 5 West Rio Arriba County, New Mexico

Dear Ms. Bradfield:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letters dated October 15, 1996, requesting approval for downhole commingling of the Tapacito Pictured Cliffs and Blanco Mesaverde formations in the above referenced wells.

After review, we hereby approve your application for downhole commingling for each of the referenced wells. Approval for each well is conditional on submittal of the respective allocation procedure for each.

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

Sincerely,

/S/ Duane W. Spencer

Duane W. Spencer Team Leader, Petroleum Management

NMOCD, Santa Fe); DOMR; Suspense (Brian); AIRS

San Juan PC PA and MV PA

07237:BWDavis:01/29/97:x6367:burlingtonSJ275NDHCltr

NOTE: Application for each well is file in the San Juan 27-5 PC PA.