

DHC -1458



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
NM 03380 (WF)
3162.7-3 (07327)

March 6, 1997

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

RE: Downhole Commingling Application
No. 14 Florance "D" LS
1750' FSL & 1750' FWL
Section 21, T. 27 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 February 7, 1997, applying for downhole commingling approval for the Otero Chacra and Blanco Mesaverde Pools in the above referenced well.

For the month of December 1996, the Mesaverde formation produced 131 Mcfd and .5 Bcpd with a BTU value of 1200 and an API gravity of 49 degrees. From offset producers, the Chacra formation is estimated to produce 120 Mcfd, with a BTU value of 1150. Bottom hole pressures are 635 psi for the Chacra and 575 psi for the Mesaverde. Using these values, the fixed percentage allocation for each formation has been determined as shown below.

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Otero Chacra	48%	0%
Blanco Mesaverde	52%	100%

Approval to downhole commingle the Otero and Mesaverde 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; DOMR; Suspense (Brian); AIRS;
Well File (FloranceDLs14,1750'FSL&1750'FWL,21-27N-8W)

07237:BWDavis:03/06/97:x6367:staleyFloranceD14.ltr