



# United States Department of the Interior

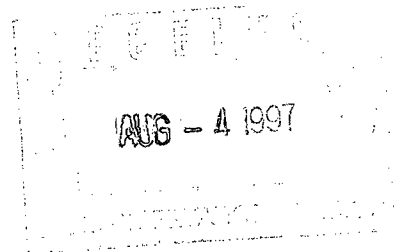
## BUREAU OF LAND MANAGEMENT

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

July 16, 1997

IN REPLY REFER TO:

NMNM 54983 (WF)  
3162.7-3 (07400)



Mr. John Roe  
Engineering Manager  
Dugan Petroleum Company  
P.O. Box 420  
Farmington, NM 87499-0420

RE: Downhole Commingling  
No. 15 September  
990' FNL and 990' FEL  
NENE Section 24-T24N-R10W  
San Juan County, New Mexico

Dear Mr. Roe:

We have received your application requesting approval to downhole commingle the Bisti Lower Gallup and Basin Dakota formations in the referenced well. Estimated bottom hole pressures have been reported at 800 psi for the Gallup formation and 511 psi for the Dakota formation. From reserve calculations and offset production, allocation has been determined as shown in the table below.

Formation	Oil Allocation	Gas Allocation
Bisti Lower Gallup	98%	34%
Basin Dakota	2%	66%

Approval to downhole commingle the Gallup and Dakota formations 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,

*[Handwritten signature: Duane W. Spencer]*

Duane W. Spencer  
Team Leader, Petroleum Management

bcc:

NMOCD, Santa Fe  
Well File (No. 15 September, 990' FNL and 990' FEL, Sec 24-T24N-R10W)  
CA File NMNM76391

DOMR

Suspense (Brian)

*[Handwritten initials: BWD]*

07400:BWDavis:07-16-97:x6367:duganSeptember15.ltr