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: NMNM 020503 (WF) 3162.7-3 (07400) September 12, 1997

Mr. Jerry W. Hoover Senior Conservation Coordinator Conoco Inc. 10 Desta Drive, Ste. 100W Midland, TX 79705-4500

RE: Downhole Commingling

No. 10E Federal

1275' FNL & 1745' FEL Sec. 1, T. 29 N., R. 11 W. San Juan County, New Mexico

Dear Mr. Hoover:

Your application to downhole commingling the Blanco Mesaverde and Basin Dakota formations in the referenced well has been reviewed. Allocation will be determined by projecting the production for the Dakota formation and taking the difference to determine the allocated production for the Mesaverde formation.. Approval to downhole commingling is hereby granted using the subtraction method.

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

Sincerely,

Is/ Brian W. Davis

Duane W. Spencer
Team Leader, Petroleum Management

bcc:

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

Well File(No. 10E Federal, 1275'FNL & 1745'FEL, 1-29N-11W);

07400:BWDavis:-9/12/97:x367:conocoFederal10E.ltr