

DHC-1806



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:

NMSF047039C (WC)
3162.7 (07400)

April 17, 1998

Mr. Gary Brink
Taurus Exploration USA, Inc.
2198 Bloomfield Highway
Farmington, NM 87401

RE: Downhole Commingling
No.22 Angel Peak
CA-NMNM76045 (SRM1473)
1105' FSL & 790' FWL
Sec. 7, T. 28 N., R. 10 W.
San Juan County, NM

Dear Mr. Brink:

We have received the well test information that was requested March 10, 1998 on the above referenced well. The well test verifies the fixed allocation percentages that were submitted on your Application for Downhole Commingling dated January 16, 1998. We hereby approve your Application for Downhole Commingling and the submitted allocation factors for the Pictured Cliffs and Chacra Formations. This approval is contingent upon Taurus Exploration USA Inc. submitting and receiving approval for a Designation of Successor Operator on Communitization Agreement No. NMNM76045 (SRM1473). The effective date for downhole commingling will be March 27, 1998. The approved allocation factors are:

Formation	GAS	OIL
Chacra	60%	0%
Pictured Cliffs	40%	0%

If you have any questions please contact Wayne Townsend with this office at (505) 599-6359.

Sincerely,

/s/ Duane W. Spencer

Duane Spencer
Team Leader, Petroleum Management

cc:

NMOCD, Santa Fe
NMOCD, Aztec
Well File
DOMR

07400::WTownsend:4/17/98