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# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

June 3, 1998

IN REPLY REFER TO:

SCR-331 (CA)  
14080017547 (CA)  
3162.3-3 (07400)

Mr. John Roe  
Dugan Production Corp.  
P.O. Box 420  
Farmington, NM 87499-0420

Dear Mr. Roe:

We have reviewed your application for downhole commingling of the Mesaverde and Dakota Formations in the No. 1E Garrett Federal Com, NwNe Sec. 12, T.29N., R.11W.. This well is located on Fee land, but committed to 2 Federal Communitization Agreements (CA). We concur with your proposal to use fixed allocation since each formations decline rates are similar. The approved fixed allocation factors are as follows:

Formation	Gas Allocation	Oil Allocation	CA Number
Mesaverde	56%	0 %	SCR-331
Dakota	44%	100%	14080017547

Please notify our office of the date the well is downhole commingled so that we can update our records.

If you have any questions, please call me at (505) 599-6350.

Sincerely,

**/s/ Duane W. Spencer**

Duane W. Spencer  
Team Lead, Petroleum Management

cc:  
NMOCD, Aztec, NM  
NMOCD, Santa Fe, NM

bcc:  
CA NMNM-76201  
CA NMNM-73651  
T&R (29N-11W)  
DOMR

07400:DSpencer:6/3/98:gareett 1e.dhc