

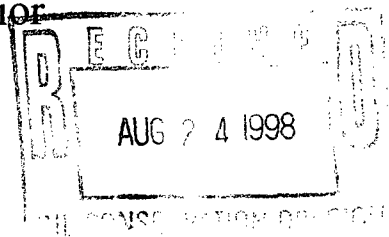
DHC 1974



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO:

AUG 14 1998

SF-078201
3162.3-2 (07400)

Amoco Production Company
Attn.: Pamela Staley
P.O. Box 800
Denver, Colorado 80201-0800

Re: Well No. 20A, Florance O
NWSE 24-30N-09W
Lease No. SF-078201
San Juan County, NM

Dear Ms. Staley:

Reference is made to your application dated June 2, 1998, requesting authorization to down hole commingle gas and associated liquid hydrocarbons from the Mesaverde and Pictured Cliffs formations in the above referenced well. After reviewing the production characteristic of this well and wells in the vicinity, we concur with the fixed allocation factors established in your application. Authorization is hereby given to allocate production in accordance with the factors outlined below:

<u>Formation</u>	<u>Gas</u>	<u>Oil</u>
Mesaverde	81%	100.0%
Pictured Cliffs	19%	0.0%

Commingled production from each zone must be reported in accordance with these established allocation factors. The effective date of commingling will be the date commingling first occurs.

By Sundry notice approved May 1, 1998, you were authorized to conduct recompletion and down hole commingling operations on the referenced well. Within 30 days of conducting this work, please file a subsequent report (form 3160-5, Sundry Notice) of all operations conducted.

If you have any questions regarding the above, contact Jim Lovato at (505) 599-6367.

Sincerely,

/S/ Duane W. Spencer

Duane Spencer
Team Leader, Petroleum Management Team

cc:

✓ NMOCD, Santa Fe
NMOCD, Aztec