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IN REPLY REFER TO:

SF-078116 3162.3-2 (07400)

Amoco Production Company Attn.: Pamela Staley P.O. Box 800 Denver, Colorado 80201-0800 Re: Well No. 1A, Jane Mansfield NENE 19-30N-09W Lease No. SF-078116 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 Fruitland (coal seam) 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:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Farmington Field Office 1235 La Plata Highway, Suite A

Farmington, New Mexico 87401

AUG | 4 1998

<u>Formation</u>	<u>Gas</u>	<u>Oil</u>
Mesaverde	85%	100.0%
Fruitland	15%	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 27, 1998, you were authorized to conduct the downhole commingling operations necessary to combine production in this well bore. 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