

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:

SF-078144 3162.3-2 (07100) JUL - 7 1999

Amoco Production Company Attn.: Mary Corley P.O. Box 3092 Houston, TX 77253 Re: Well No. 1A, Blanco Com 1 SESE 2-30N-11W Lease No. SF-078144 San Juan County, NM

Dear Mr. Roe:

Reference is made to your application dated June 9, 1999, requesting authorization to down hole commingle gas and associated liquid hydrocarbons from the Mesaverde and Dakota formations in the above referenced well. After reviewing the production characteristics in both formations, 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:

Formation	Gas	<u>Oil</u>
Mesaverde	62%	0.0%
Dakota	38%	100.0%

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.

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

Sincerely,

→Duane Spencer

Team Leader, Petroleum Management Team

cc:

NMOCD, Santa Fe NMOCD, Aztec