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New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Attention Mr. A. R. Kendrick

Gentlemen:

Downhole Commingling - AXI Apache "J" Well No. 9 - Rio Arriba County,
New Mexico

Enclosed are two (2) copies of the Form 9-331 filed with the Durango office of the USGS upon downhole commingling of the subject well. Production from the commingled stream during December, 1977 was less than the production prior to commingling. Evidently, this situation is due to either higher line pressures or to temporary damage to the formation during the workover operations.

It is believed that the most reliable information on which to allocate production between the zones is to base such allocation on the proportion that each formation produced prior to shutting in the South Blanco Pictured Cliffs completion. At that time, South Blanco Pictured Cliffs produced 10% and the Otero Chacra completion produced 90% of the well's combined production. It is recommended that this ratio be adopted for future production.

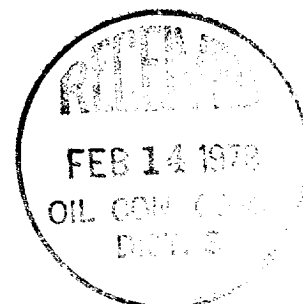
If you have further questions, please contact either Mr. B. E. Anderson in Farmington or V. T. Lyon in our Hobbs office.

Yours very truly,

VTL/jj

Enc

CC: B. E. Anderson, Farmington



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