



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

April 22, 1996

IN REPLY REFER TO:

SF-078496

3162.3-2 (07327)

Mr. Jerry Hoover
Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

Dear Mr. Hoover:

We have reviewed your application to commingle production downhole from the Blanco Mesaverde and the Basin Dakota Pools in the following well:

San Juan 28-7 Unit, Well #181 M
1080' FNL 810' FWL, Section 3, T-27N, R-7W
Rio Arriba County, New Mexico

The dedicated spacing for this well contains portions of Federal Leases SF-078496 and SF-078972. Production profiles from both formations were analyzed to determine if future allocation based on percentages would be equitable. Both formations have been declining at similar rates for the past year. Your Application, and allocation method, are hereby approved as submitted, effective the date that actual commingling of the pools occurred. Approved allocation factors are:

Formation	Gas	Condensate
Blanco Mesaverde	63%	65%
Basin Dakota	37%	35%

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions regarding this correspondence, please contact Ray Hager at (505) 599-6366.

Sincerely,
for Duane Spencer
Duane Spencer
Team Lead, Petroleum Management

bcc:

New Mexico Oil Conservation Division, Santa Fe

New Mexico Oil Conservation Division, Aztec

Well File (SF-078496, SJ 28-7 Unit #181M, 1080 FNL, 810 FWL, Section 3, T-27N, R-7W) W/Application
AIRS

DOM Reader

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