



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

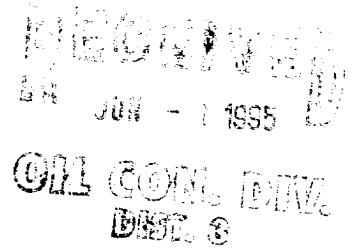
Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

May 24, 1995

IN REPLY REFER TO:

NM03380
3162.3-2 (07327)

Pamela W. Staley
Amoco Production Company
1670 Broadway, P.O. Box 800
Denver, Colorado 80201



Dear Ms. Staley:

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

Florance 62
790' FNL ,1650' FWL
Section 20, T-27N, R-8W
San Juan County, New Mexico

It was noted that the cover letter for your application contains incorrect footages in the legal description for Florance 62. The Completion Report for the Mesaverde formation was received in this office May 5, 1995.

We concur with your method of allocating combined production from both zones based on stabilized rates. Gas analysis, API gravity of produced crude (if any) , and actual (measured or calculated) bottom hole pressure from both zones would be required if production from either zone was combined with acreage that is not 100% Federal.

When Mesaverde production has stabilized and production is combined, please submit allocation percentages for oil, gas, and water production from both formations. Your Application to downhole commingle production from the Basin Dakota and Blanco Mesaverde formations in the Florance 62 is hereby approved and will become effective on the actual date that production is combined.

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

Sincerely,

/s/ Duane Spencer

Duane Spencer
Chief, Branch of Reservoir Management

cc:
New Mexico Oil Conservation Division, Santa Fe
New Mexico Oil Conservation Division, Aztec ✓