



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

April 2, 1996

IN REPLY REFER TO:

NM-020498-A
3162.3-2 (07327)

Robert L. Bayless
P.O. Box 168
Farmington, New Mexico 87499
Attn: Kevin McCord

RECEIVED
APR - 8 1996
OIL CON. DIV.
DIST. 3

Dear Mr. McCord:

We have reviewed your application to commingle production downhole from the Fulcher Kutz Pictured Cliffs and the Aztec Fruitland Sand Pools in the following well:

Horn Canyon #1
1190' FNL, 1055' FWL, Section 15, T-28N, R-11W
San Juan County, New Mexico

Initial AOF tests from both formations were used to determine allocation based on percentages. Your application and allocation method, are hereby approved as submitted, effective the date that actual commingling occurs. Approved allocation factors are:

Formation	Gas	Condensate
Pictured Cliffs	48%	none
Fruitland Sand	52%	none

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.*

We appreciate the detail contained in your application and the supporting exhibits. If you have any questions regarding this correspondence, please contact Ray Hager at (505) 599-6366.

Sincerely,

/s/ Duane Spencer

Duane Spencer

Team Lead, Petroleum Management

bcc:

New Mexico Oil Conservation Division, Santa Fe
AIRS

07327:RHager: 04/02/96 :x366:Horn.ltr

New Mexico Oil Conservation Division, Aztec
DOM Reader

Well File(NM-020498-A,Horn Canyon #1, 1190 FNL, 1055 FWL, Section 15, T-28N, R-11W) W/Application