



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

April 24, 1996

RECEIVED
APR 25 1996
OIL CON. DIV.
DIST. 3

IN REPLY REFER TO:

SF-078502

3162.3-2 (07327)

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

Dear Ms. Staley:

We have reviewed your application to commingle production downhole from the Blanco Pictured Cliffs and the Basin Fruitland Coal Pools in the following well:

**Vandewart "B" #3
870' FNL, 1600' FWL, Section 11, T-29N, R-8W
San Juan County, New Mexico**

There are no Communitization agreements for production from this well. There is too much disparity between production declines to allocate future production based on fixed percentage rates. Fruitland Coal production is presently declining at a much higher rate than the Pictured Cliffs. To accurately allocate commingled production, Pictured Cliffs production must be extrapolated and remaining production allocated to the Fruitland Coal until both formations are declining at the same rate. When this occurs, allocation can be converted to percentages. Please notify this office when allocation factors are changed. Your Application to commingle is hereby approved using the above formula to allocate production.

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,
/s/ Duane Spencer
Duane Spencer
Team Lead, Petroleum Management Team

bcc:

New Mexico Oil Conservation Division, Santa Fe
New Mexico Oil Conservation Division, Aztec
07327:RHager: 04/24/96 :x366:Vandewart.ltr

DOM Reader
AIRS

Well File (SF-078502, Vandewart "B" #3, 870 FNL 1600 FWL Sec 11, T-29N, R-8W) W/Application