



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

AUG 24 1999

IN REPLY REFER TO:

NMNM97843
3162.3-2 (07100)

Richardson Operating Company
c/o Walsh Engineering
7415 East Main
Farmington NM 87402

Re: Well No. 28 #1 WF Federal
NENE 28-30N-14W
San Juan Co., NM
Lease No. NM-97843

Dear Mr. Thompson:

Reference is made to your application for down hole commingling of gas from the Pictured Cliffs and Fruitland Formations in the above referenced well. After reviewing your application and your estimated production forecast for the Pictured Cliffs Formation, we concur with the use of the subtraction method for allocation of production between zones. Production allocation attributable to the Fruitland Formation will be based on the difference in the production forecast for the Pictured Cliffs and the commingled gas stream of both intervals.

Commingled production from each zone must be reported in accordance with the allocation procedure described above. The effective date will be the date down hole commingling actually occurs.

If you have any questions regarding the above, contact Jim Lovato at (505) 599-6367.

Sincerely,

Errol Becher
Acting Team Leader, Petroleum Management Team

cc:
NMOCD, Santa Fe
✓ NMOCD, Aztec

RECEIVED
AUG 27 1999
OIL CON. DIV.
DIST. 3