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OIL CONSERVATION DIVISION
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MAR 10 1995

Mr. Leonard J. Biemer
Meridian Oil Incorporated
P.O. Box 4289
Farmington, NM 87499-4289

Dear Mr. Biemer;

We have concluded our review of your application to commingle downhole production from the Pictured Cliffs and Fruitland Coal formations in the following well:

No. 8 Zachry
Sec. 33, T. 29 N., R. 10 W.
San Juan County, New Mexico

Your application is approved as submitted with the following stipulations: (1) This approval is for the allocation factors only, approval for any downhole work must also be obtained, (2) You must report the following to this office: (a) The date that the formations are commingled and (b) the producing rate (Qpci) of the Pictured Cliffs zone at the time. Effective date of this approval will be the date that the formations are commingled.

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 W. Spencer
Chief, Branch of Reservoir Management

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