



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

June 17, 1996

IN REPLY REFER TO:

SF-078046 (WC)
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 correspondence dated May 20, 1996 regarding allocation of commingled production from the following well located on Federal lease SF 078046:

Hughs "B" #7A
1450' FNL, 1750' FWL, Section 29, T-29N, R-8W
San Juan County, New Mexico

Your change in allocation is based on recommendations from this office outlined in correspondence dated November 27, 1995, and a change in your plans. Amoco amended their original plan to add compression to Pictured Cliffs production and will continue to produce into a low pressure gathering system. Your current proposal to allocate future, commingled, production based on extrapolated (non-compressed) Pictured Cliffs rates with the remainder of each month's commingled volume allocated to the Mesaverde is hereby approved. Thank you for your cooperation in this matter which will result in equitable allocation to both formations.

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

New Mexico Oil Conservation Division, Aztec

Well File (SF-078046, Hughs "B" #7A, 1450 FNL, 1750 FWL, Section 29, T-29N, R-8W) W/Application
AIRS

DOM Reader

07327:RHager: 06/17/96 :x366:Hughs7a.ltr