

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

March 21, 1996

GIL CONSERVATION DIVISION RECEIVED

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IN REPLY REFER TO: SF-078097 3162.7-3 (07327)

Ms. Pamela W. Staley
Amoco Production Company
P.O. Box 800
Denver, CO 80201

RE: Federal Lease SF-078097
Downhole Commingling Application
Basin Dakota and Blanco Mesaverde Pools
Heaton LS #1
990' FNL & 900' FEL. Section 28-T31N-R11W
San Juan County, New Mexico

Dear Ms. Staley:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter dated February 20, 1996, for downhole commingling of the Blanco Mesaverde and Basin Dakota Pools in the above referenced well.

Your application stated that historical data will be used in determining the allocation percentage for each formation. Presently, the Mesaverde formation is producing 95 MCFD and 0.03 BCPD and the Dakota is producing 80 MCFD and .03 BCPD. Corrected bottom hole pressures are 934 psi for the Dakota and 908 psi for the Mesaverde. Using these values, the fixed percentage for allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Basin Dakota	46%	50%
Blanco Mesaverde	54%	50%

Approval to downhole commingle the Blanco Mesaverde and Basin Dakota formations for the above referenced well is hereby granted.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

Isl Duane Sponcer

Duane W. Spencer Team Leader, Petroleum Management

bcc:

NMOCD, Santa Fe Well File (No. 1 Heaton LS,900'FNL&900'FEL,28-T31N-R11W) DOMR Suspense (Brian) AIRS

07237:BWDavis:03/18/96:x6367:staleyheaton1.ltr