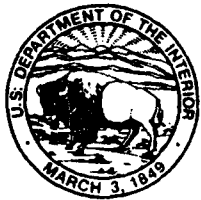


DHC - 1248



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
SF-078194  
3162.7-3 (07327)

May 9, 1996

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

RE: Federal Lease SF-078194  
Downhole Commingling Application  
Blanco Mesaverde and Basin Dakota Pools  
No. 1E Ludwick "A"  
1050' FNL and 790' FWL  
Section 19, T.30N., R.10W.  
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 April 30, 1996, for downhole commingling of the Blanco Mesaverde and Basin Dakota Pools in the above referenced well.

Prior to the completion of the Mesaverde formation, the only producing horizon completed in this well was the Dakota formation. Subsequent to stimulating the Mesaverde formation, allocation factors will be determined using flow test data and historical data from the Dakota formation. Allocation for both formations will be on a fixed percentage allocation, with 100% of the condensate production attributed to the Mesaverde formation.

Approval to downhole commingle is granted, however we do request that once determined, that the allocation factor be submitted.

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

Sincerely,

*/s/ Duane Spencer*

Duane W. Spencer  
Team Leader, Petroleum Management

bcc:  
NMOCD, Santa Fe  
Well File (No. 1E Ludwick "A", 1050' FNL & 790' FWL, 19-T.30N.-R.10W.)  
DOMR  
Suspense (Brian)  
AIRS

07237:BWDavis:05/09/96:x6367:staley ludwick 1e.ltr.ltr