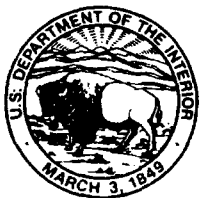


DHC - 1271



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

OIL CONSERVATION DIVISION
RECEIVED
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IN REPLY REFER TO:
NM 012200 (WF)
3162.7-3 (07327)

July 5, 1996

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

RE: Federal Lease NM 012200
Downhole Commingling Application
No. 1A Dryden LS
2300' FSL and 790' FEL
NESE Section 28-T28N-R8W
Blanco Mesaverde and Otero Chacra Pools
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 June 3, 1996, for downhole commingling of the Blanco Pictured Cliffs and Blanco Mesaverde Pools in the above referenced well.

Your application stated that historical data will be used in determining the allocation percentage for each formation. Production from the Mesaverde is presently 153 Mcfpd and .84 Bcpd, with a bottom hole pressure of 833 psi and a BTU value of 1255. The Chacra formation has production of 54 Mcfpd and 0 Bcpd, with a bottom hole pressure of 654 psi and a BTU value of 654 psi. Using these values, the fixed percentage for allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Otero Chacra	26%	0%
Blanco Mesaverde	74%	100%

Approval to downhole commingle the Otero Chacra and Blanco Mesaverde 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,

Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Santa Fe
Well File (No. 1A Dryden LS, 2300' FSL and 790' FEL, NESE Section 28-T28N-R8W)
DOMR, Suspense (Brian), AIRS

07237:BWDavis:07/05/96:x6367:staleygartnerA3A.ltr



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

April 23, 1996

IN REPLY REFER TO:

NM-012200

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 application to commingle production downhole from the Blanco Mesaverde and the Otero Chacra Pools in the following well:

Dryden LS 1A
2300' FSL, 790' FEL, Section 28, T-28N, R-8W
San Juan County, New Mexico

There are no Communitization agreements for production from this well. Chacra production has been on a well established decline rate since 1989. Mesaverde production has been erratic with periods of higher production followed by rapid declines. To accurately allocate commingled production, Chacra production must be extrapolated and remaining production allocated to the Mesaverde until both formations are declining at the same rate. When this occurs, allocation can be converted to percentages. Please notify this office when allocation factors are changed. Your Application to commingle is hereby approved using the above formula to allocate production.

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 Spencer

Team Lead, Petroleum Management Team

bcc:

New Mexico Oil Conservation Division, Santa Fe

New Mexico Oil Conservation Division, Aztec

07327:RHager: 04/23/96 :x366:Dryden.ltr

DOM Reader

AIRS

Well File (NM-012200, Dryden LS #1A, 2300 FSL 790 FEL Sec 28, T-28N, R-8W) W/Application