

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Farmington District Office 1235 La Plata Highway

Farmington, New Mexico 87401

June 14, 1996

IN REPLY REFER TO: San Juan 27-5 Unit (GC) 3162.7-3 (07327)

Ms. Peggy Bradfield Regulatory Administrator Meridian Oil P.O. Box 4289 Farmington, NM 87499-4289

RE: Downhole Commingling Application Mesaverde and Dakota Formations No. 40E San Juan 27-5 Unit 1060' FSL & 1800' FEL Section 16, T. 27 N., R. 5 W. Rio Arriba County, New Mexico

Dear Ms. Bradfield:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter May 29, 1996, requesting approval for downhole commingling of the Blanco Mesaverde and Basin Dakota formations in the above referenced well.

After review, we hereby approve your application for downhole commingling. This approval is contingent on submittal of the allocation factors for this well.

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

Sincerely,

Je/ Duane Spancer

Duane W. Spencer Team Leader, Petroleum Management

bcc:

NMOCD, Santa Fe Township and Range File 16-T27N-R5W DOMR Suspense (Brian) AIRS

07237:BWDavis:06/14/96:x6367:sanjuan275bradfield.ltr