

Southern

Rockies

Business

Unit

June 18, 1996

Mr. Ben Stone
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505

Allocations for Downhole Commingling
Eaton A #1E Well
Federal Lease No SF-047020
Unit B Section 25-T29N-R11W
Otero Chacra, Blanco Mesaverde and Basin Dakota Pools
San Juan County, New Mexico

Attached please find a letter to the Bureau of Land Management concerning allocations for the subject well. The BLM alerted me that the allocation attachment had been left out of our application. I apologize for any inconvenience that this may have caused you. We will be re-mailing this allocation to all interested parties.

Should you have questions concerning this matter, please contact me at (303) 830-5344.

Sincerely,

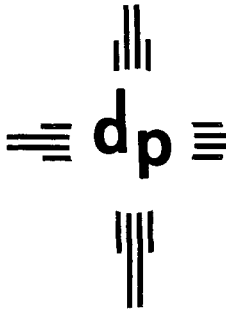
Pamela W. Staley

Attachment

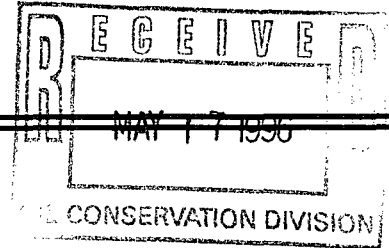
ALLOCATION RECOMMENDATION
EATON A #1E

Allocations for this well will be based on testing done during the workover on this well. The Dakota side of this well has experienced production problems and until we are working on the well we will be unable to tell the nature of the production degradation. It is our intent to test each of the zones to determine an appropriate allocation for each of these zones and submit those recommendations to your Aztec office for approval before producing this well in a commingled state.

DHC-1297



dugan production corp.



May 15, 1996

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

ATTN: William J. LeMay, Director

RE: Downhole Commingling Application
Eaton A #1E Well
Township 29 North, Range 11 West
Section 25: NW/4NE/4
San Juan County, New Mexico

Dear Mr. LeMay:

This is to confirm that Dugan Production Corp. does not object to Amoco Exploration and Production's application for downhole commingling of the Chacra, Mesa Verde and Dakota Formations in the captioned well as requested in their May 7, 1996 letter (copy attached).

If there should be any questions concerning this application, please contact me.

Sincerely,

Richard Corcoran
Land Manager

RC:pm
Enclosure

cc: Pamela W. Staley
Amoco Exploration and Production



Southern

Rockies

Business

Unit

May 7, 1996

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505



**Application for Exception to Rule 303-C - Downhole Commingling
Eaton A #1E Well
Unit B Section 25-T29N-R11W
Otero Chacra, Blanco Mesaverde, and Basin Dakota Pools
San Juan County, New Mexico**

Enclosed please find an administrative application form (C-107-A) and attachments for downhole commingling for the captioned well. By copy of this application by certified mail, return receipt requested, Amoco is notifying all offset operators in the formations captioned above as well as all affected interest owners if the ownership of those formations is not common. The Division Director may approve the proposed downhole commingling in the absence of a valid objection from any offset operator or any interest owner in those instances where ownership is not common in the zones to be commingled within 20 days after the receipt of the application if, in his opinion, waste will not result thereby, and correlative rights will not be violated.

Should there be questions concerning this matter, please contact me at (303) 830-5344.

Sincerely,

Pamela W. Staley

Enclosures

cc: Steve Webb
Gail Jefferson
Wellfile
Proration File
Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Road
Aztec, NM 87410

Duane Spencer
Bureau of Land Management
1235 La Plata Hwy.
Farmington, NM 87401