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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

DHC 1409

IN REPLY REFER TO:

SF-078566 (WF)
3162.7-3 (07327)

December 27, 1996

Ms. Pamela W. Staley

Amoco Production Company

P.O. Box 800
Denver, CO 80201

RE: Downhole Commingling Application

No. 3 Storey-LS

1050' FSL & 950' FWL
Section 26, T. 28 N., R. 8 W.
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 October 22, 1996, applying for downhole commingling approval for the South Blanco Pictured Cliffs and Blanco Mesaverde Pools in the above referenced well.

For March 1996, the Pictured Cliffs formation was producing 17 Mcfd and 0 Bcpd with a BTU value of 1200. For August 1996, the Mesaverde formation was producing 127 Mcfd and .6 Bcpd with a BTU value of 1209 and an API gravity of 49 degrees. Corrected bottom hole pressures are 425 psi for the Pictured Cliffs formation and 590 psi for the Mesaverde formation. Using these values, the fixed percentage for allocated production for each formation has been determined as follows:

FORMATION	GAS PRODUCTION	OIL PRODUCTION
Pictured Cliffs	12%	0%
Mesaverde	88%	100%

Approval to downhole commingle the Pictured Cliffs and 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,

/s/ Joe Hewitt

FOR Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Santa Fe