

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

January 29, 1997

IN REPLY REFER TO: SJ 27-5 Unit (PC PA, MV PA) 3162.7-3 (07327)

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

RE: Downhole Commingling Application San Juan 27-5 Unit * No. 41, 1650' FSL & 1650' FWL, Section 21 - bHc - 1411No. 47, 1500' FSL & 1750' FWL, Section 18 - bHc - 1413No. 48, 1650' FSL & 1650' FWL, Section 19 - bHc - 1413No. 49, 1090' FNL & 800' FWL, Section 18 - bHc - 1413No. 50, 1650' FNL & 1840' FEL, Section 19 - bHc - 1415Township 27 North, Range 5 West Rio Arriba County, New Mexico

Dear Ms. Bradfield:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letters dated October 15, 1996, requesting approval for downhole commingling of the Tapacito Pictured Cliffs and Blanco Mesaverde formations in the above referenced wells.

After review, we hereby approve your application for downhole commingling for each of the referenced wells. Approval for each well is conditional on submittal of the respective allocation procedure for each.

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

Sincerely,

/S/ Duane W. Spencer

Duane W. Spencer Team Leader, Petroleum Management

bcc:

NMOCD, Santa Fe); DOMR; Suspense (Brian); AIRS San Juan PC PA and MV PA

07237:BWDavis:01/29/97:x6367:burlingtonSJ275NDHCltr

NOTE: Application for each well is file in the San Juan 27-5 PC PA.