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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 - 1424

IN REPLY REFER TO:

SCR-4, 14-08-001-1176 (CA)  
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

Communitization Agreements SCR-4(DK), 14-08-001-1176 (MV)

No. 1E Heath Gas Com "P"

790' FNL & 880' FWL, Sec. 31, T30N, R9W

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 November 15, 1996, for downhole commingling of the Blanco Mesaverde and Basin Dakota Pools in the above referenced well.

The Dakota formation is estimated to have initial production of 100 Mcfd from comparable offset production and the estimated bottom hole pressure for this well is 559 psi from actual shut-in pressure data from this well. The Mesaverde formation is estimated to have a bottom hole pressure of 361 psi, using offset data from the Heath Gas Com C#1.

Allocation for this well will be made using the subtraction method. Gas production will be projected for the Dakota formation and the Mesaverde formation will be calculated by taking the difference of the actual total production and the projected Dakota production. Liquid production will be calculated by using the same percentages as the ratios for each formations gas production to total gas production

Approval to downhole commingle the Blanco Mesaverde and Basin Dakota 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