

in reply refer to: NMA15, SW160 (CA) 3162.7-3 (07327)

Mr. Jerry W. Hoover Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500

RE: Downhole Commingling No. 15N Bruington Federal 1012' FSL & 1600' FWL, Sec. 15, T. 30 N., R. 11 W. San Juan County, New Mexico

Dear Mr. Hoover:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your correspondence dated December 17, 1996. for downhole commingling of the Blanco Mesaverde and the Basin Dakota Formations in the above referenced well.

The current bottom hole pressure for the Dakota formation is 786 psia and the estimated bottom hole pressure for the Mesaverde formation is 932 psia. 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 in the same manner.

Approval to downhole commingle the Blanco Mesaverde and Basin Dakota formations for the above referenced well is hereby granted.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

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

Sincerely,

/S/ Duane W. Spencer

Duane W. Spencer Team Leader, Petroleum Management

bcc:

NMOCD, Santa Fe; DOMR; Suspense; AIRS; NMNM76254, NMNM73832 (CA)

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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

January 27, 1997