



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

August 21, 1997

IN REPLY REFER TO:

NMNM-029144 (WF)
3162.7-3 (07400)

Mr. Jerry W. Hoover
Senior Conservation Coordinator
Conoco Inc.
10 Desta Drive, Ste. 100W
Midland, TX 79705-4500

RE: Downhole Commingling
No. 21 Federal
315' FNL & 720' FWL
Sec. 9, T. 27 N., R. 8 W.
San Juan County, New Mexico

Dear Mr. Hoover:

We have reviewed your application for downhole commingling the Otero Chacra and Basin Fruitland Coal formations in the referenced well. The Chacra formation has been producing since 1981 and presently has an estimated bottom hole pressure of 364 psia. The Fruitland Coal formation is to be completed and has an estimated bottom hole pressure of 624 psia. Allocation will be accomplished by subtracting the projected Chacra production from the total production of both zones, and the difference will be allocated to the Fruitland Coal formation.

Approval to downhole commingle the Otero Chacra and Basin Fruitland Coal formation for the above referenced well is hereby granted.

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

Sincerely,

/s/ Duane W. Spencer

Duane W. Spencer
Team Leader, Petroleum Management

bcc:

NMOCD, Santa Fe; DOMR; Suspense (Brian); Well File(No.21 Federal,315'FNL&720'FWL,9-27N-8W)

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