

DHC-2982

**COMMISSIONER'S OFFICE**

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January 25, 2002



**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

**COMMERCIAL RESOURCES**

Phone (505) 827-5724  
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**MINERAL RESOURCES**

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**ROYALTY MANAGEMENT**

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Fax (505) 827-4739

**SURFACE RESOURCES**

Phone (505) 827-5793  
Fax (505) 827-5711

Burlington Resources Oil & Gas Company  
P.O. Box 4289  
Farmington, New Mexico 87499

Attn: Mr. Bobby Goodwin

Re: Downhole Commingling Application  
San Juan 29-7 Well No. 92R  
Unit Letter N, Section 16-29N-07W  
Blanco Mesaverde and Basin Fruitland Coal Pools  
Rio Arriba County, New Mexico

Dear Mr. Goodwin:

Your application to downhole commingle the Blanco Mesaverde and Basin Fruitland Coal production from within the wellbore of the above-captioned well was received on January 22, 2002.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

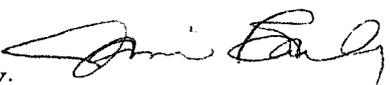
Please submit your \$30.00 dollar filing fee.

Also, please submit a copy of the Oil Conservation Division's approval order.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
Enclosure  
xc: Reader File

OCD--Attention:--David Catanach-->



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
 SF-077107A, et al. (wc)  
 3162.7 (07100)

May 10, 2002

Peggy Cole  
 Burlington Resources  
 P.O. Box 4289  
 Farmington, NM 87401

Re: Applications requesting authorization to down hole commingle.

Dear Ms. Cole:

Reference is made to your application requesting authorization to down hole commingle gas and associated liquid hydrocarbons from the wells listed below. After reviewing the production history of these wells, we have determined these formations have similar projected decline rates, pressures, and fluid compatibility for the pool combinations applied for. As such, we hereby approve your request for commingling. Upon completion, please provide allocation methodology.

| Well Name                | Location               | API#        | Lease Number | Formation      | Formation         | Formation   |
|--------------------------|------------------------|-------------|--------------|----------------|-------------------|-------------|
| Hancock # 3              | M Sec 22<br>T28N, R9W  | 30045-07253 | SF-077107A   | Fruitland coal | Pictured Cliffs ★ | Mesaverde ★ |
| San Juan 29-7 Unit # 92R | N Sec 16,<br>T29N, R7W |             | State Lease  | Fruitland Coal |                   | Mesaverde   |

★ Indicates the PC and MV intervals are producing as a commingled zone.

The Kelly 4M well is located below the Chacra line. Subsequently there are three separate pools to be considered in your request. After review, they were seen as having similar decline rates, pressures and fluid compatibility to be approved as a tri mingled well, Upon completion, please provide allocation methodology.

| Well Name  | Location                | API#        | Lease Number | Formation | Formation | Formation |
|------------|-------------------------|-------------|--------------|-----------|-----------|-----------|
| Kelly # 4M | G Sec 35,<br>T30N, R10W | 30045-30403 | NM - 04240   | Chacra    | Mesaverde | Dakota    |