



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-078472
3162.7 (07100)

August 26, 2002

Patsy Clugston
Phillips Petroleum Company
5525 Hwy. 64
Farmington, NM 87401

Re: Applications requesting authorization to down hole commingle.

Dear Ms. Clugston:

Reference is made to your application requesting authorization to down hole commingle gas and associated liquid hydrocarbons from the well listed below. After reviewing the production history of this well, 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
San Juan 32-7 Unit # 39B	M Sec 23, T32N, R7W	30045 30197	SF-0784	South Los Pinos Fruitland Sands, PC	Blanco Mesaverde

If you have any questions, please contact Matt Halbert at (505) 599-6350 or the undersigned at (505) 599-6367.

Sincerely,

/s/ *Jim Lovato*

Jim Lovato
Team Leader, Petroleum Management Team

cc:

NMOCD, Aztec, NM
NMOCD, Santa Fe, NM