

287/30M. QHC

CONOCO

Mid-Continent Region
Exploration/Production

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30 - 039-25544
D - 02-27N-07W5

October 28, 1997

Mr. Frank Chavez
Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, New Mexico 87410

RECEIVED
OCT 30 1997

OIL CON. DIV.
DIST. 3

Re: ALLOCATION for Downhole Commingling
Blanco Mesaverde and Basin Dakota Production
in the San Juan 28-7 Unit No. 130M

Dear Mr. Chaves:

The subject well was approved for downhole commingling and drilling at an unorthodox location by OCD Order No. R-10476 prior to being drilled. This order provided for the allocation to be submitted and approved by the District Supervisor of the Aztec OCD Office.

This well was initially drilled and completed in the Dakota. After producing for 3 months, a plug was set over the Dakota and the Mesaverde was completed and produced for an almost 6 months until production stabilized. The attached plat shows the production volumes for each of these isolated test periods which were performed sequentially. However, these separate, isolated test periods have been superimposed on the same plat so that they can be compared and evaluated for allocation purposes.

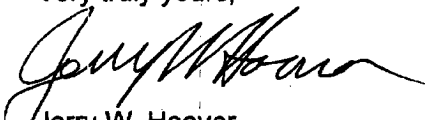
The square symbols represent Dakota production whose rate stabilized in a matter of days. Mesaverde production stabilized after about 4 months as shown by the diamond symbols. The triangles represent the projected decline of the Dakota which is very similar to the Mesaverde decline as represented by the solid line.

Based on these stabilized projections the following fixed allocation factors are recommended:

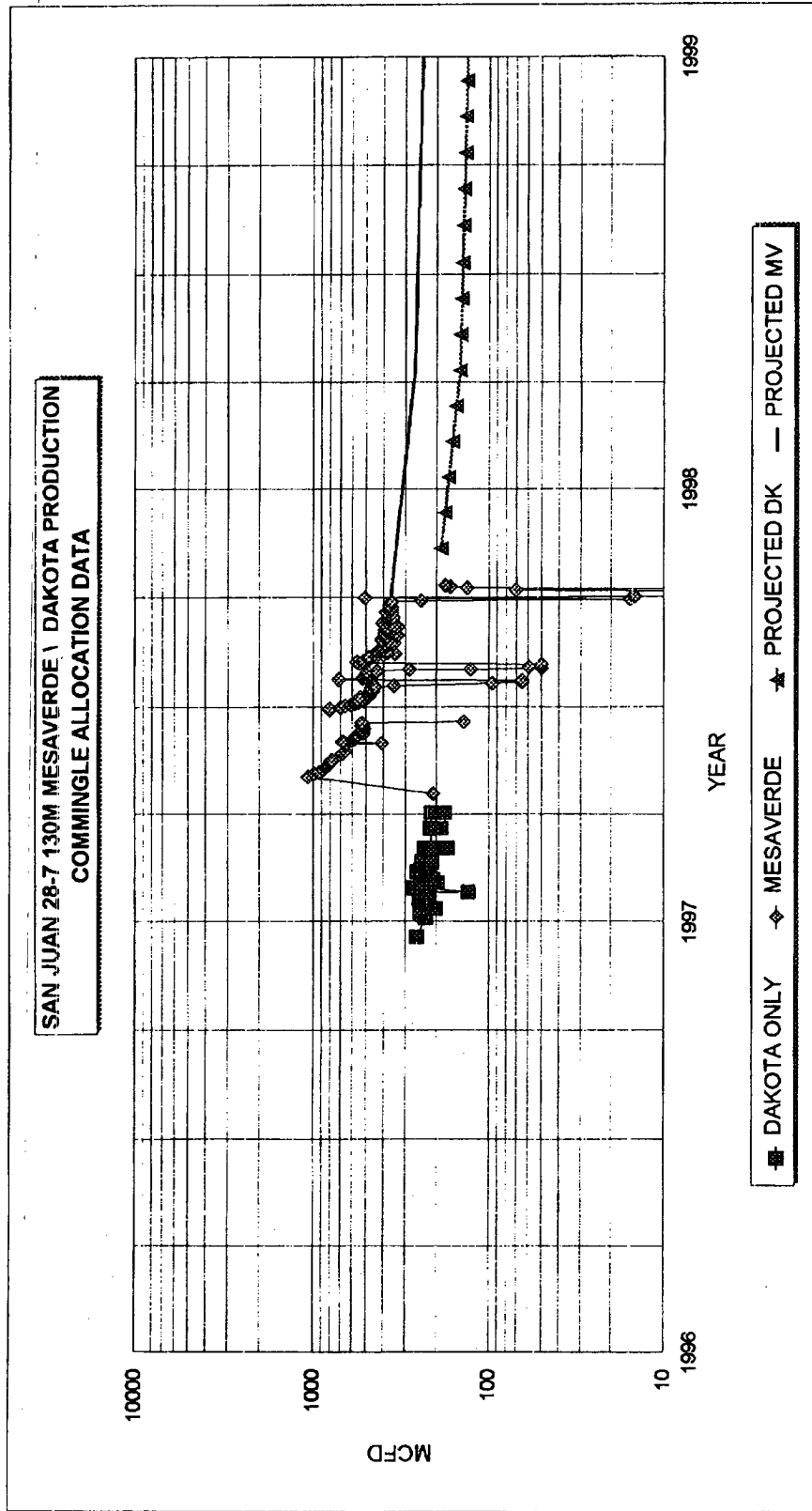
	<u>Gas</u>	<u>Oil</u>
Mesaverde	64%	75%
Dakota	36%	25%

If there are further questions concerning these factors, please contact me at (915) 686-6548.

Very truly yours,


Jerry W. Hoover
Sr. Conservation Coordinator

PDB



Normalized Oil Production			
MV	DK		
226 STBO	74 STBO		

FIXED COMMINGLE ALLOCATION			
% MV	%DK		
64%	36%		
64%	36%		
64%	36%		
64%	36%		

	MV MCFD	DK MCFD	TOTAL
1/1998	309	171	481
6/1998	260	144	405
12/1998	244	135	379
6/1999	228	126	354

FIXED ALLOCATION GAS →
FIXED ALLOCATION OIL →

MV 75% DK 25%

10/28/97

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