



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS RD. - AZTEC

87410



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO

STATE GEOLOGIST
EMERY C. ARNOLD

November 23, 1976

Mr. Bob Bigbee
Bco, Inc.
P. O. Box 669
Santa Fe, New Mexico 87501

Re: Order R-5310
Bco, Inc.
Dunn #2
F-10-23N-7W

Dear Mr. Bigbee,

I agree that the allocation of the production for the subject should be as follows:

Lybrook Gallup - 15 BOPD at a GOR of 6000 feet per barrel
Basin Dakota - zero oil and all remaining gas

The Mancos production shall be considered to all come from the Lybrook Gallup and any Greenhorn production shall be considered as Basin Dakota production.

The allocation shall be adjusted semi-annually following GOR tests to be conducted during the months of May and November. The results of such tests shall be filed by the tenth day of the next succeeding month.

Gas-oil ratio tests may be taken at shorter intervals if significant change is noted in the production.

If there are further questions, please contact us.

Yours very truly,

A. R. Kendrick
Supervisor, District #3

xc: U.S.G.S., Durango
OCC, Santa Fe

ARK:no