



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

December 11, 1985

BCO, Inc.
135 Grant
Santa Fe, NM 87501

Re: Dunn #12 O-03-23N-7W

Gentlemen:

Your recommended allocation of commingled production to the referenced wells is approved as follows:

	<u>Oil</u>	<u>Gas</u>
Gallup	75%	92%
Graneros	25%	8%

Sincerely,

Frank T. Chavez
District Supervisor

FTC/dj

xc: Santa Fe
EPNG Co.
Well File ✓
Operator File

AREA CODE 505
983-1228

BCO, Inc.
OIL WELL OPERATOR
135 GRANT
SANTA FE, N. M. 87501
November 19, 1985

Mr. Frank Chavez
New Mexico Oil Conservation
Commission
1000 Rio Brazas Road
Aztec, New Mexico 87410

Re: Dunn 12 \bigcirc Sec. 3 T23N R7W

Dear Mr. Chavez:

Following my conversation with Mr. Bush, on November 14, 1985, I filed GOR's (C-116's) on the above well for the Lybrook Gallup and Undesignated Graneros.

We will follow the same allocation method with the Dunn 12 that we have with the Dunn 9, Dunn 10, Dunn 11 and H#3 and H#4. Oil production will be allocated as follows: 25% to the Undesignated Graneros; 75% to the Lybrook Gallup. A 2000 to 1 GOR will be allocated to the Undesignated Graneros and the balance of the gas produced will be allocated to the Gallup.

It is our opinion based on tests we have conducted on both formations that the above allocations closely approximate the volumes of oil and gas actually being produced from each formation.

If I can provide any additional information, please contact me.

Very truly yours,

Elizabeth B. Keeshan

Elizabeth B. Keeshan
Comptroller

92 7/2
8 7/2

EBK:ysl

