



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

GARREY CARRUTHERS
GOVERNOR

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

December 21, 1987

Ms. Elizabeth B. Keeshan
BCO, Inc.
135 Grant
Santa Fe, NM 87501

Re: State H #5 B-2-23N-7W
State H #6 I-2-23N-7W
Commingled Allocation

Dear Ms. Keeshan:

Your recommended allocation for both wells will be the same
as follows:

	<u>Gas</u>	<u>Oil</u>
Gallup	95%	25%
Graneros	5%	75%

Sincerely,

Frank T. Chavez
District Supervisor

FTC/dj

xc: Well Files *h/att.*
Santa Fe

AREA CODE 505
983-1228

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

December 4, 1987

Mr. Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, N.M. 87410

RE: State H-5 Unit B Sec 2 T23N R7W
State H-6 Unit I Sec 2 T23N R7W

Dear Mr. Chavez:

Commission Order R-6929 authorizes BCO, Inc. to commingle production from the Graneros and the Gallup on the wells listed above.

We have tested the two wells and recommend that the production be allocated according to the same formula we have used on other wells covered by this order. We propose that oil production be allocated with 25% to the Undesignated Graneros and 75% to the Lybrook Gallup. We found very little gas when we tested the Graneros. We believe a 2000 to 1 ratio for Graneros gas is accurate. The remainder of the gas will be allocated to the Gallup.

It is our opinion that the above allocations closely approximate the actual production from the two zones.

Very truly yours,

Elizabeth B. Keeshan

Elizabeth B. Keeshan
Vice President

EBK:jw

