



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 Keeshan  
BCO, Inc.  
135 Grant  
Santa Fe, NM 87501

Re: State <sup>5</sup> #1 A-16-23N-7W  
Commingled Allocation

Dear Ms. Keeshan:

Your recommended allocation of commingled production from  
the referenced well is approved as follows:

	<u>Gas</u>	<u>Oil</u>
Gallup	33%	33%
Graneros	67%	67%

Sincerely,

Frank T. Chavez  
District Supervisor

FTC/dj

xc: Well File *w/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 J-1 Unit A Sec 16 T23N R7W

Dear Mr. Chavez:

Under Administrative Order DHC-672 we are authorized to commingle production from the Graneros and Lybrook Gallup pools for the above well.

We have tested two formations and recommend that the oil production be allocated with one-third to the Graneros and two-thirds to the Gallup. Our tests indicate that the gas-oil ratio for both formations is the same and we will allocate gas on that basis. This well has a much higher gas-oil ratio than other wells we have drilled in Sections 2, 3, 9 and 10, T23N R7W. The gas-oil ratio at the time we filed initial potential was 31000-1. We will continue to test this well and will report any information that would result in a change in the allocation method.

Very truly yours,

*Elizabeth B. Keeshan*

Elizabeth B. Keeshan  
Vice President

EBK:jw

