

This letter is for Mr. Chavez

BEARTOOTH OIL & GAS COMPANY
P.O. BOX 2564
BILLINGS, MONTANA 59103
(406) 259-2451

January 14, 1982



Mr. Frank Chavez
Supervisor, Aztec District Office
New Mexico Oil Conservation Commission
Aztec, New Mexico 87410

Re: Minel Federal No. 1
Unit E, Sec. 7-25N-3W
Rio Arriba County, New Mexico
Commingled Production Allocation

Dear Mr. Chavez:

In regard to the allocation of production from the commingled Ojito Gallup-Dakota and Blanco Mesaverde in the above referenced well, Beartooth Oil & Gas Company proposes the following allocation, in accordance with Item (2) of Rule R-6779:

<u>Gas</u>	Blanco Mesaverde	96.5%
	Ojito Gallup-Dakota	<u>3.5%</u>
	Total	100.0%
<u>Oil/Condensate</u>	Blanco-Mesaverde	18.9%
	Ojito Gallup-Dakota	<u>81.1%</u>
		100.0%

This allocation formula was arrived at by taking the stabilized rate against atmospheric pressure for each zone as a percentage of the combined rate.

For the Ojito Gallup-Dakota, that rate was 53 MCFPD and 18.8 BOPD during an extended pump test. For the Blanco Mesaverde, the gas rate was 1432 MCFPD and a condensate rate of 4.38 was calculated using a figure of 3 BC/MMSCF, a figure typical of surrounding wells. The combined rate was 1515 MCFPD and 23.18 BOPD.

Please advise Mr. Bob Ballantyne in our production accounting department if this allocation formula is satisfactory. If you have any questions, please give me a call.

JRC
GR

Yours very truly,

BEARTOOTH OIL & GAS COMPANY

Jim Routson
James G. Routson
Petroleum Engineer

JGR/gb



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

February 12, 1982

Mr. James G. Routson
Beartooth Oil & Gas Company
P.O. Box 2564
Billings, Montana 59103

Re: Minel #1 E-7-25N-3W

Dear Jim:

Your recommended allocation for the referenced well is
accepted as follows:

	Gas	Oil
Blanco Mesaverde	96%	19%
Ojito Gallup-Dakota	4%	81%

If you have any questions, please contact this office.

Yours truly,

Frank T. Chavez
District Supervisor

FTC/lh

cc: Santa Fe ✓
U.S.G.S. Farmington
Northwest Pipeline
Giant Refinery