



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
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GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

February 29, 1996

Mr Jerry Hoover
Conoco Inc
10 Dest Dr Ste 100W
Midland TX 79705-4500

Re: Jicarilla A #9, C-14-26N-04W, 30-039-20095

Dear Mr Hoover:

Your recommended allocation of production to the referenced well is hereby approved as follows:

	Gas	Oil
Blanco Mesaverde	20%	2%
Basin Dakota	80%	98%

Sincerely,

Frank T. Chavez
District Supervisor

FTC\sh

cc: well file

conjic9

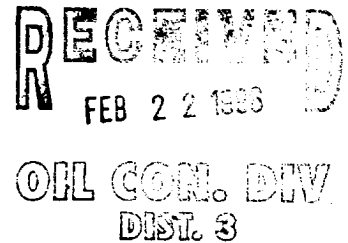


Midland Division
Exploration Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

February 20, 1996

Mr. Ernie Busch
Aztec District Office
1000 Rio Brazos Rd.
Aztec, New Mexico 87410



**Re: Jicarilla "A" No. 9 Downhole Commingling Allocation Formula Approval
Unit C, Section 14, Township 26 North, Range 4 West, Rio Arriba County
Downhole Commingling Authorized by Administrative Order DHC-1095**

Dear Mr. Busch:

Conoco recently purchased the subject well from Merit Energy Company. Downhole commingling approval had already been secured by Merit through Order DHC-1095, but apparently Merit had not yet contacted your office to secure approval of an allocation formula for the commingled well. Therefore, Conoco as the current operator is submitting the following production history and proposed fixed allocation formula for your approval.

- EXHIBIT A: Blanco Mesaverde production history plot
- EXHIBIT B: Basin Dakota production history plot
- EXHIBIT C: --- Production plots with projected exponential decline fit of data
--- Historical data for both zones (cums, current rates, decline rates)
--- 1/1/96 producing rates
--- Proposed fixed allocation factors based on 1/1/96 rates

Since decline analysis of both producing zones indicates that both are producing at a stabilized 4.0% exponential decline, it is proposed that the following fixed percentage formula be established for proper allocation of production from this commingled well:

	<u>GAS</u>	<u>OIL</u>
Blanco Mesaverde	20 %	2 %
Basin Dakota	80 %	98 %

If you have any further questions or requirements for your consideration of this proposal, please contact me at (915) 686-6548.

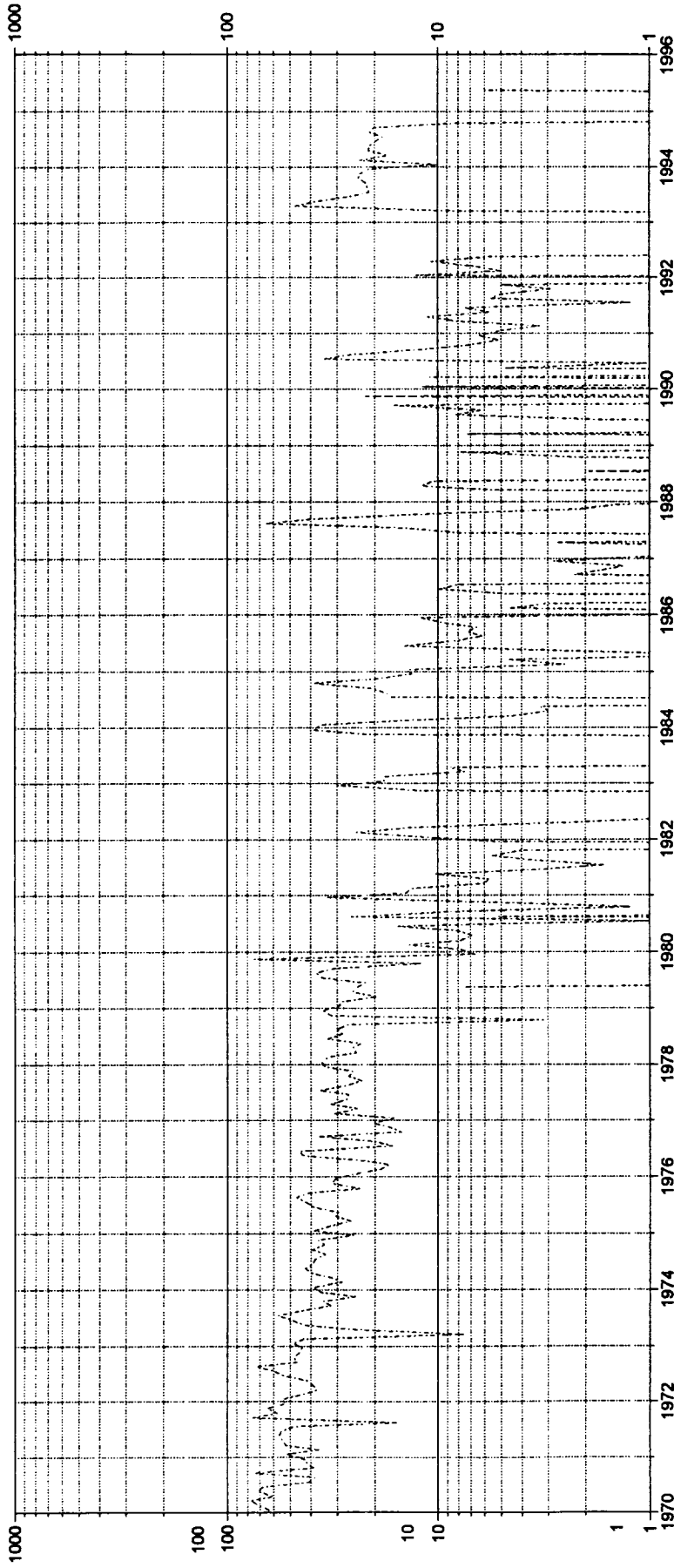
Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

Dwights

1000 Lease: JICARILLA A 000009

Retrieval Code: 261,039,26N04W14C00M



County: RIO ARRIBA

Field: BLANCO (MESAVERDE) MV

Reservoir: MESAVERDE

Operator: CONOCO INC

State: NM

Oil Cum: 383 bbl

Gas Cum: 244748 mcf

Location: 14C 26N 4W

F.P. Date: 11/68

Water (bbl/day)

Gas (mcf/day)

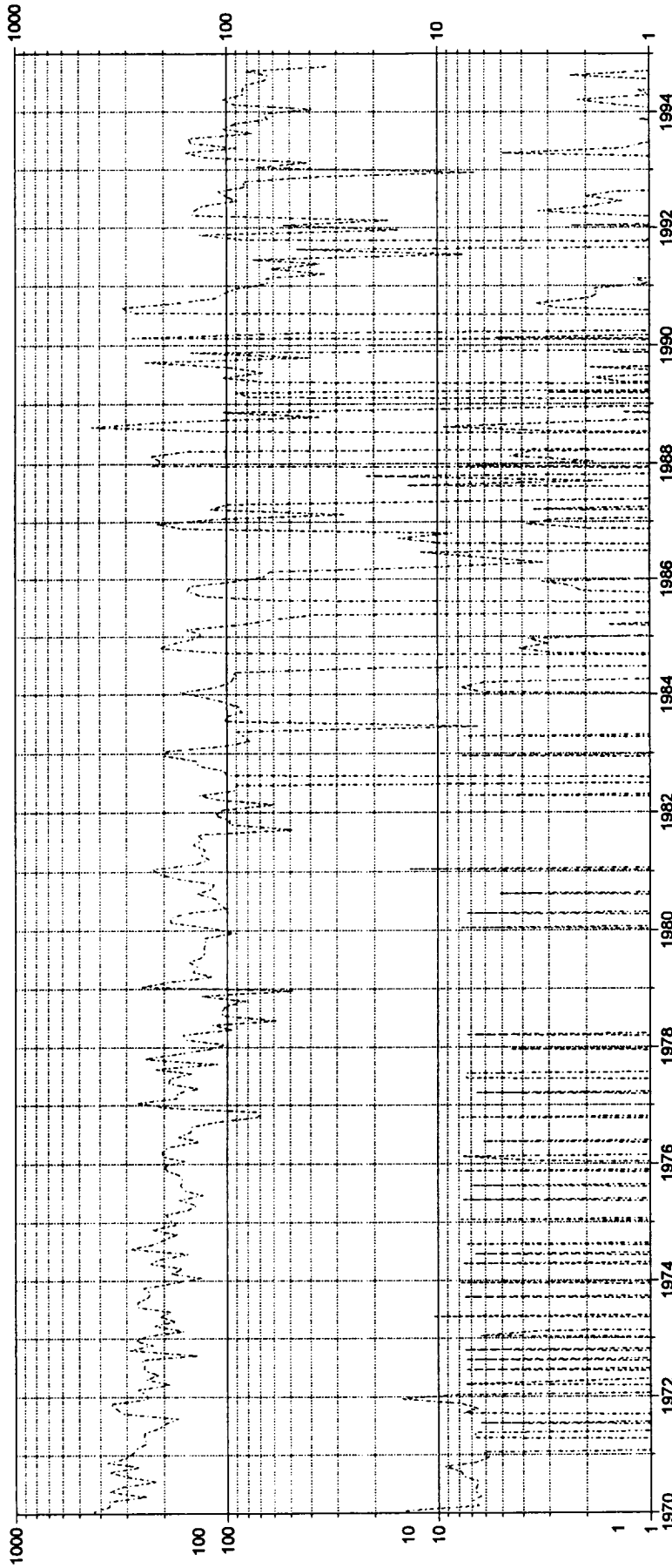
Date: 02/07/96

Oil (bbl/day)

Dwights

Lease: JICARILLA A 000009

Retrieval Code: 251,039,26N04W14C00D



County: RIO ARriba

Field: BASIN (DAKOTA) DK

Reservoir: DAKOTA

Operator: CONOCO INC

State: NM

Oil Cum: 27314 bbl

Gas Cum: 1527 mmcf

Location: 14C 26N 4W

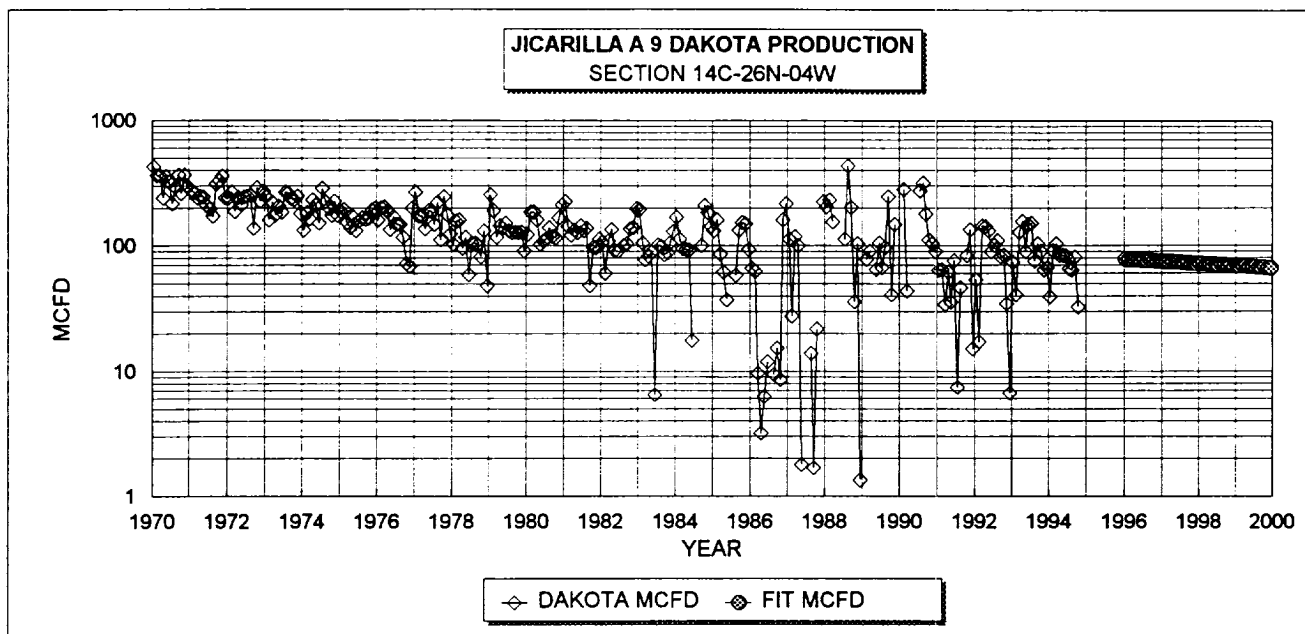
F.P. Date: 10/68

Water (bbl/day)

Gas (mcf/day)

Date: 02/07/96

Oil (bbl/day)



DAKOTA HISTORICAL DATA: 1ST PROD: 11/6

OIL CUM: 27.31 MBO

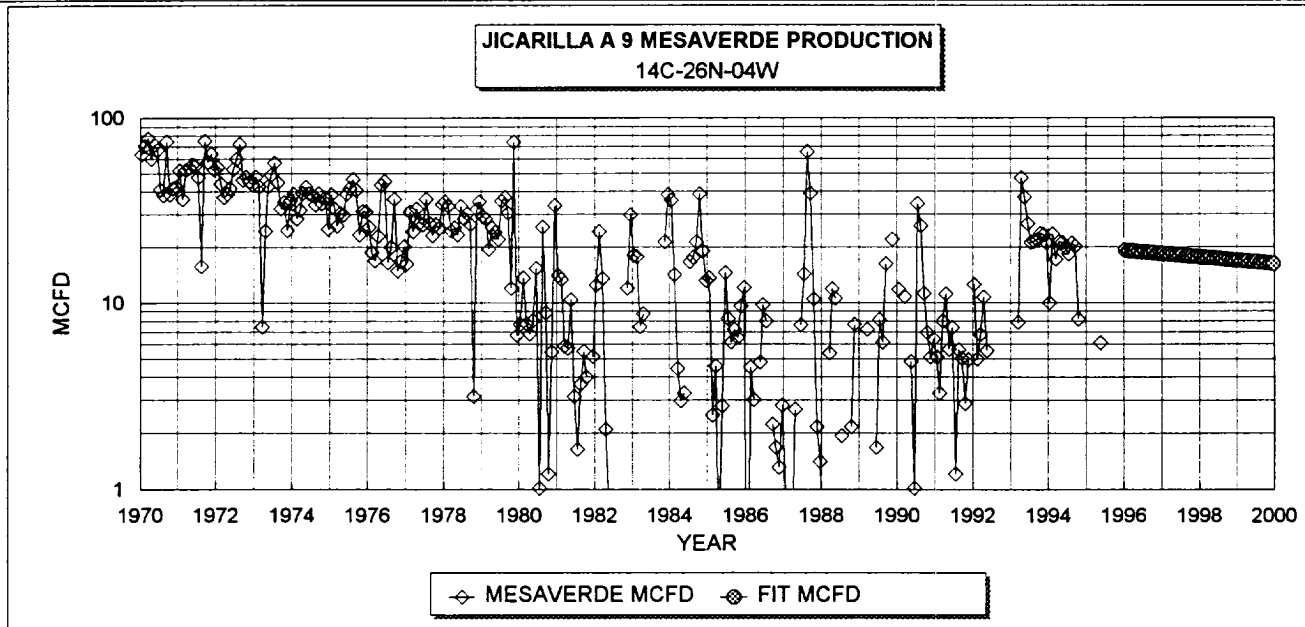
GAS CUM: 1527.00 MMCF

OIL YIELD: 0.0179 BBL/MCF

DAKOTA PROJECTED DATA

1/1/96 Qi: 78 MCFD

DECLINE RATE: 4.0% (EXPONENTIAL)



MESAVERDE HISTORICAL DATA 1ST PROD: 11/6

OIL CUM: 0.38 MBO

GAS CUM: 244.75 MMCF

OIL YIELD: 0.0016 BBL/MCF

MESAVERDE PROJECTED DATA

1/1/96 Qi: 19 MCFD

DECLINE RATE: 4.0% (EXPONENTIAL)

FIXED COMMINGLE ALLOCATION FACTORS:

	GAS	OIL
MESAVERDE:	20%	2%
DAKOTA:	80%	98%

GAS ALLOCATION BASED ON PROJECTED 1996 RATES

OIL ALLOCATION BASED ON WEIGHTED CUM OIL YIELDS

NOTE: ALL PRODUCTION DATA FROM DWIGHTS ENERGYDATA