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

TONEY ANAYA
GOVERNOR

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

December 17, 1985

Mr. Gary J. Johnson
Jerome P. McHugh & Assoc.
650 South Cherry, Suite 1225
Denver, CO 80222

Re: Apache #4 L-19-26N-3W

Dear Mr. Johnson:

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

	Gas	Oil
Gallup	90%	90%
Dakota	10%	10%

Sincerely

Frank T. Chavez
District Supervisor

FTC/dj

xc: Santa Fe
NPC - Lillian Eaton/Encl.
G R
Well File

28 October 1985

Oil Conservation Division
State of New Mexico
1000 Rio Brazos Road
Aztec, New Mexico 87410

Attn: Mr. Frank Chavez, Supervisor - District 3

Dear Mr. Chavez:

Allocation schedules for our Apache 3 (D 19-26N-3W) and Apache 4 (L 19-26N-3W) have been calculated as follows:

1. Apache 3 Gallup = 100 %
   Dakota = 0 %

This well is dual completed downhole. All comingling was to be done at the surface through common surface equipment. The comingling order was issued effective April 12, 1977. Since the issuance of the comingling order, no gas has been produced from the Dakota formation in this well as the Dakota tubing has been shut-in. If, and when the Dakota formation is produced, each zone will be tested separately to determine an allocation.

2. Apache 4 Gallup = 90 %
   Dakota = 10 %

This well is comingled downhole. Both formations are produced through the Dakota tubing string, while the Gallup string has been shut-in. Prior to comingling, each zone was produced separately. From production data for each zone prior to comingling, and from cumulative production data it was determined that the above proportion applied to production from this well. No tests have been run since comingling (in Nov. 1976) to determine individual zone productivity. Cumulative production from the well since comingling is 5757 MCF to June 1, 1985, and current production is shut-in due to market demand. The last time the well produced, in May, 1985, it produced 143 MCF for 29 days, or less than 5 MCF per day. It is apparent that this producing rate is too small to justify extensive testing and it is therefore requested that the historical data be accepted as the standard for determining the current allocation.

If, at some future date, the well is to be worked over or the production system is to be changed, the well will be tested to determine the productivity of one or both zones.

Form C-104 reflecting the above allocations have been sent to your office by our Farmington office. If you have any questions or problems with this allocation, please let me know.

Yours very truly,

Gary J. Johnson

Gary J. Johnson
Petroleum Engineer

Jerome P. McHugh & Associates
Operating Affiliate: Nassau Resources, Inc.
650 South Cherry, Suite 1225
Denver, Colorado 80222
(303) 321-2111