



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
[http://emnr.state.nm.us/ocd/District II/3district.htm](http://emnr.state.nm.us/ocd/District%20II/3district.htm)

GARY E. JOHNSON
Governor

Jennifer A. Salisbury
Cabinet Secretary

March 5, 1999

Kay Maddox
Conoco Inc
10 Desta Dr Ste 100W
Midland TX 79705-4500

Re: San Juan 28 7 Unit #98M, F-29-27N-07W , DHC

Dear Ms. Maddox:

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

	Gas	Oil
Blanco Mesaverde	27%	40%
Basin Dakota	73%	60%

Yours truly,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/mk

cc: Duane Spencer-BLM Farmington
David Catanach-NMOCD Santa Fe
well file

28798m-dhc

CONOCO

Mid-Continent Region
Exploration/Production
January 15, 1999

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

Mr. Frank Chavez
Oil Conservation Division
1000 Rio Brazos Rd
Aztec, New Mexico 87410

RE: Allocation For Downhole Commingling
Blanco Mesaverde (72319) Basin Dakota (71599)
San Juan 28-7 Unit Well # 98M
API # 30-039-
Unit F, Section 29, T-27-N, R-7-W
Rio Arriba County, NM

RECEIVED
JAN 19 1999

OIL CON. DIV.
DEPT. 2

Dear Mr. Chavez,

The subject well was approved for downhole commingling by Administrative Order # DHC 2033 prior to being completed and NSL Order # 4061. The DHC order provided for the allocation to be submitted and approved by the District supervisor of the Aztec office.

Extensive historical data and modeling of early time profiles from these two pools have shown that once a stabilized flow rate has been established in both of them, they exhibit essentially identical decline patterns and rates. Therefore, it is valid and prudently accurate to establish commingling allocation percentages in early time stabilized rates in newly drilled wells where both the Mesaverde and Dakota are sequentially completed and to expect these percentages to be reasonably accurate for the life of the well.

The well was initially completed and fracture stimulated in the Mesaverde and Dakota. Subject well was cleaned out and tested the Mesaverde on January 8, 1999, and the Dakota, January 12, 1999. The Mesaverde and Dakota 12-hour tests resulted in the following submitted data.

The stabilized gas and associated oil rates and the resulting percentage allocations for both completions are shown below:

	OIL RATE BOPD	STABILIZED GAS RATES	STABILIZED WATER	OIL	GAS	WATER
MV	2	198 MCFD	20 BWPD	40%	27%	67%
DK	3	528 MCFD	10 BWPD	60%	73%	33%

If there are any further questions regarding this request, please contact me at (915) 686-5798. Thank you.

Sincerely,

Kay Maddox

Kay Maddox - Regulatory Agent, Conoco, Inc.
cc: BLM-Farmington