



September 17, 2001

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

RE: Allocation for Downhole Commingling
San Juan 28-7 #260M
API#30-039-26563
O. Sec.5, T27N, R7W
Blanco Mesaverde 72319 Basin Dakota 71599

Mr. Chavez

DHC 234AZ

The Mesaverde was tested in this well July 14, 2001. The Dakota was tested July 24, 2001. This well was commingled in the Mesaverde and Dakota on July 24, 2001. Conoco Inc. requests that production from this well be allocated as indicated by the test data below:

Mesaverde (2 3/8" tubing at 5030')
07/14/01 1320 MCFD + 0 BOPD + 0 BWPD

Commingled Dakota and Mesaverde (2 3/8" tubing at 7554')
07/24/01 1815 MCFD + 0 BOPD + 0 BWPD

Based on these initial inflow tests, calculated DHC allocation percentages are:

Fixed Allocation (Gas)	Dakota	27%
	Mesaverde	73%

No oil was produced during the flow test, so any oil production is suggested allocated using the same percentages as for the gas.

If you need additional information please give me a call at (281) 293-1005. Thank you for your time.

Sincerely,

Deborah Marberry
Regulatory Analyst