



**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 HU3/district.htm](http://emnr.state.nm.us/ocd/District%20HU3/district.htm)

**GARY E. JOHNSON**  
Governor

**Jennifer A. Salisbury**  
Cabinet Secretary

December 18, 1998

Ms. Kay Maddox  
Conoco Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500

Re: San Juan 29-7 Unit # 249M, O-30-28N-07W, API# 30-039-25802, DHC

Dear Ms Maddox:

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

	Gas	Oil
Blanco Mesaverde	68%	33%
Basin Dakota	32%	67%

Yours truly,

Ernie Busch  
District Geologist/Deputy O&G Inspector

EB/mk

cc: Jim Lovato-Farmington BLM  
David Catanach-NMOCD Santa Fe  
well file

297#249m-dhc

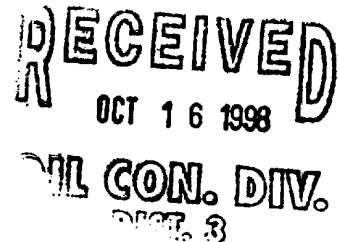


Mid-Continent Region  
Exploration/Production

October 14, 1998

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 29-7 Unit Well # 249M  
API # 30-039-25802  
Unit O, Section 30, T-28-N, R-7-W  
Rio Arriba County, NM

Dear Mr. Chavez,

The subject well was approved for downhole commingling by Administrative Order # DHC 1923 prior to being completed. This 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 had 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 August 9, and the Dakota, October 2, 1998. 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	1/2	891 MCFD	2 BWPD	33%	68%	50%
DK	1	429 MCFD	2 BWPD	67%	32%	50%

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

Sincerely,

Kay Maddox - Regulatory Agent, Conoco, Inc.