

DHC Allocation

Frank Chavez

To: mark_r_stelling
Subject: RE: Florance #66 - Administrative Order DHC-1251

0-18-27N-8W

Your recommended allocation is hereby approved.

Frank T. Chavez
District Supervisor

From: mark_r_stelling[SMTP:mark_r_stelling@amoco.com]
Sent: Thursday, October 24, 1996 10:54 AM
To: frnkchavez
Cc: Staley_Pamela_W/denver_srbuden; Foster_Mike_M/tac_srbu
Subject: Florance #66 - Administrative Order DHC-1251

Mr. Chavez,

Amoco recently commingled the subject well (api #30-045-11829). The BLM is requiring an allocation methodology which is a combination of the subtraction method and fixed percentage. The BLM requirements are as follows:

"Approved allocation factors are: (Natural Gas) Basin Dakota volumes based on extrapolated historical production with the remainder of the gas produced each month allocated 80% to the Mesaverde and 20% to the Chacra (based on data furnished from offset production). (Condensate) Basin Dakota volumes based on the percentage of gas allocated with the remainder of the condensate allocated to the Mesaverde. There will be no condensate allocation to the Chacra pool since offset Chacra producers have demonstrated that no liquids are associated with gas production from the Chacra producers in the area."

Per Administrative Order DHC-1251, dated June 7, 1996, Amoco seeks NMOCD approval for the above allocation. If you require additional information please give me a call, thanks!

Mark Stelling (mark_r_stelling@amoco.com) 326-9432

cc: wellfile - Florance #66

