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STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DIVISION

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 3346-78

August 25, 1994

Mr. P. M. Pippin Meridian Oil Inc PO Box 4289 Farmington NM 87499

Re: Huerfano Unit #258

P-36-34N-1010

Dear Mike:

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

Gas

Fruitland Coal

77%

Pictured Cliffs

23%

Sincerely,

Frank T. Chavez District Supervisor

FTC\sh

MERIDIAN OIL

March 24, 1994

Mr. Frank Chavez
N. M. Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Commingling Allocation Huerfano Unit #258 990' FSL 990' FEL Sec. 36, T27N R10W San Juan County, N. M.

Dear Frank,

We have reviewed the gas tests on our Huerfano Unit #258 FRTC-Pc which is a commingled Basin Fruitland Coal - Fulcher Kutz Pictured Cliffs well, as per N.M.O.C.D. order #DHC-974. Based on tests taken during completion operations from both the Fruitland Coal and Pictured Cliffs we feel that the following gas production allocation on the subject well's commingled zones would be reasonably accurate:

OIL COM. DIV

Fruitland Coal 77%
Pictured Cliffs 23%

Please let us know if this percentage allocation meets with your approval.

Sincerely,

P. M. Pippin

Sr. Production Engineer

PMP:pmp attachment

CALCULATIONS FOR HUERFANO UNIT #258

Commingled Fulcher Kutz Pictured Cliffs Basin Fruitland Coal

Pitot gauges were taken during completion operations while the rig was on location.

GAS

Pitot	Gauge	FRTC	Only	(2-17-94):	196 M	
				(2-18-94):	254 M	CF/D

GAS ALLOCATION

FRTC =
$$\frac{196}{254}$$
 = 77%

Pictured Cliffs =
$$\frac{254 - 196}{254}$$
 = 23%