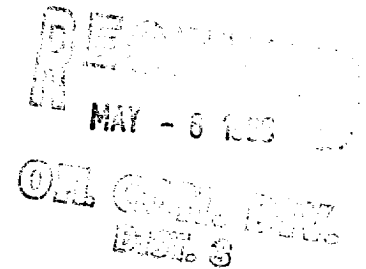




Southern
Rockies
Business
Unit

May 1, 1996

Mr. Ben Stone
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505



Downhole Commingling Application - Change of Allocation Method
Russell A #2A Well
Unit C Section 25-T28N-R8W
Blanco Mesaverde (Pool IDN 72319) and Otero Chacra (Pool IDN 82329) Pools
San Juan County, New Mexico

I am sending this letter per our recent telephone conversation on how to handle differing allocation methods approved by the NMOCD and the BLM. Amoco Production Company filed an application with you on April 2, 1996 recommending a percentage based allocation method which we thought to be acceptable for the subject well. Since filing that application, the United States Bureau of Land Management has recently approved our application, however a condition of their approval is that we must allocate this production by the subtraction method. The BLM has stipulated that we must extrapolate the production for the current producing horizon (Mesaverde) through the life of the well and attribute that production to the Mesaverde. Any production in excess of that curve would be attributed to the Chacra formation. Attached you will find a tabulated gas production forecast by month for the remaining life of the Mesaverde. The allocation for the condensate would be the same ratio used for the gas once that was determined from the production each month.

We are simultaneously transmitting this future production schedule to Ray Hager at the BLM for their files. Should you have questions, please do not hesitate to call me at 303-830-5344.

Sincerely,

Pamela W. Staley
Attachment

cc: Mark Rothenberg - Denver
Mark Stelling - Farmington
Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Road
Aztec, NM 87410

Ray Hager
Bureau of Land Management
1235 La Plata Hwy.
Farmington, NM 87401

WELLID_F

wellid	wellname	ourcond	Date	Monthly mcf	MCFD
300452370400MV	RUSSELL A 2A	GAS	01-May-96	2310.4	76
300452370400MV	RUSSELL A 2A	GAS	01-Jun-96	2280	75
300452370400MV	RUSSELL A 2A	GAS	01-Jul-96	2249.6	74
300452370400MV	RUSSELL A 2A	GAS	01-Aug-96	2219.2	73
300452370400MV	RUSSELL A 2A	GAS	01-Sep-96	2188.8	72
300452370400MV	RUSSELL A 2A	GAS	01-Oct-96	2158.4	71
300452370400MV	RUSSELL A 2A	GAS	01-Nov-96	2128	70
300452370400MV	RUSSELL A 2A	GAS	01-Dec-96	2097.6	69
300452370400MV	RUSSELL A 2A	GAS	01-Jan-97	2087.2	68
300452370400MV	RUSSELL A 2A	GAS	01-Feb-97	2036.8	67
300452370400MV	RUSSELL A 2A	GAS	01-Mar-97	2006.4	66
300452370400MV	RUSSELL A 2A	GAS	01-Apr-97	1976	65
300452370400MV	RUSSELL A 2A	GAS	01-May-97	1945.6	64
300452370400MV	RUSSELL A 2A	GAS	01-Jun-97	1915.2	63
300452370400MV	RUSSELL A 2A	GAS	01-Jul-97	1915.2	63
300452370400MV	RUSSELL A 2A	GAS	01-Aug-97	1884.8	62
300452370400MV	RUSSELL A 2A	GAS	01-Sep-97	1854.4	61
300452370400MV	RUSSELL A 2A	GAS	01-Oct-97	1824	60
300452370400MV	RUSSELL A 2A	GAS	01-Nov-97	1793.6	59
300452370400MV	RUSSELL A 2A	GAS	01-Dec-97	1763.2	58
300452370400MV	RUSSELL A 2A	GAS	01-Jan-98	1763.2	58
300452370400MV	RUSSELL A 2A	GAS	01-Feb-98	1732.8	57
300452370400MV	RUSSELL A 2A	GAS	01-Mar-98	1702.4	56
300452370400MV	RUSSELL A 2A	GAS	01-Apr-98	1672	55
300452370400MV	RUSSELL A 2A	GAS	01-May-98	1672	55
300452370400MV	RUSSELL A 2A	GAS	01-Jun-98	1641.6	54
300452370400MV	RUSSELL A 2A	GAS	01-Jul-98	1611.2	53
300452370400MV	RUSSELL A 2A	GAS	01-Aug-98	1580.8	52
300452370400MV	RUSSELL A 2A	GAS	01-Sep-98	1580.8	52
300452370400MV	RUSSELL A 2A	GAS	01-Oct-98	1550.4	51
300452370400MV	RUSSELL A 2A	GAS	01-Nov-98	1520	50
300452370400MV	RUSSELL A 2A	GAS	01-Dec-98	1520	50
300452370400MV	RUSSELL A 2A	GAS	01-Jan-99	1489.6	49
300452370400MV	RUSSELL A 2A	GAS	01-Feb-99	1459.2	48
300452370400MV	RUSSELL A 2A	GAS	01-Mar-99	1459.2	48
300452370400MV	RUSSELL A 2A	GAS	01-Apr-99	1428.8	47
300452370400MV	RUSSELL A 2A	GAS	01-May-99	1398.4	46
300452370400MV	RUSSELL A 2A	GAS	01-Jun-99	1398.4	46
300452370400MV	RUSSELL A 2A	GAS	01-Jul-99	1368	45
300452370400MV	RUSSELL A 2A	GAS	01-Aug-99	1337.6	44
300452370400MV	RUSSELL A 2A	GAS	01-Sep-99	1337.6	44
300452370400MV	RUSSELL A 2A	GAS	01-Oct-99	1307.2	43
300452370400MV	RUSSELL A 2A	GAS	01-Nov-99	1307.2	43
300452370400MV	RUSSELL A 2A	GAS	01-Dec-99	1276.8	42
300452370400MV	RUSSELL A 2A	GAS	01-Jan-00	1276.8	42
300452370400MV	RUSSELL A 2A	GAS	01-Feb-00	1246.4	41
300452370400MV	RUSSELL A 2A	GAS	01-Mar-00	1216	40
300452370400MV	RUSSELL A 2A	GAS	01-Apr-00	1216	40
300452370400MV	RUSSELL A 2A	GAS	01-May-00	1185.6	39
300452370400MV	RUSSELL A 2A	GAS	01-Jun-00	1185.6	39
300452370400MV	RUSSELL A 2A	GAS	01-Jul-00	1155.2	38
300452370400MV	RUSSELL A 2A	GAS	01-Aug-00	1155.2	38
300452370400MV	RUSSELL A 2A	GAS	01-Sep-00	1124.8	37
300452370400MV	RUSSELL A 2A	GAS	01-Oct-00	1124.8	37
300452370400MV	RUSSELL A 2A	GAS	01-Nov-00	1094.4	36
300452370400MV	RUSSELL A 2A	GAS	01-Dec-00	1094.4	36
300452370400MV	RUSSELL A 2A	GAS	01-Jan-01	1064	35
300452370400MV	RUSSELL A 2A	GAS	01-Feb-01	1064	35
300452370400MV	RUSSELL A 2A	GAS	01-Mar-01	1033.6	34
300452370400MV	RUSSELL A 2A	GAS	01-Apr-01	1033.6	34

WELLID_F

wellid	wellname	surround	Date	Monthly inc	WCFD
300452370400MV	RUSSELL A 2A	GAS	01-May-01	1003.2	33
300452370400MV	RUSSELL A 2A	GAS	01-Jun-01	1003.2	33
300452370400MV	RUSSELL A 2A	GAS	01-Jul-01	972.8	32
300452370400MV	RUSSELL A 2A	GAS	01-Aug-01	972.8	32
300452370400MV	RUSSELL A 2A	GAS	01-Sep-01	972.8	32
300452370400MV	RUSSELL A 2A	GAS	01-Oct-01	942.4	31
300452370400MV	RUSSELL A 2A	GAS	01-Nov-01	942.4	31
300452370400MV	RUSSELL A 2A	GAS	01-Dec-01	912	30
300452370400MV	RUSSELL A 2A	GAS	01-Jan-02	912	30
300452370400MV	RUSSELL A 2A	GAS	01-Feb-02	881.6	29
300452370400MV	RUSSELL A 2A	GAS	01-Mar-02	881.6	29
300452370400MV	RUSSELL A 2A	GAS	01-Apr-02	881.6	29
300452370400MV	RUSSELL A 2A	GAS	01-May-02	851.2	28
300452370400MV	RUSSELL A 2A	GAS	01-Jun-02	851.2	28
300452370400MV	RUSSELL A 2A	GAS	01-Jul-02	820.8	27
300452370400MV	RUSSELL A 2A	GAS	01-Aug-02	820.8	27
300452370400MV	RUSSELL A 2A	GAS	01-Sep-02	820.8	27
300452370400MV	RUSSELL A 2A	GAS	01-Oct-02	790.4	26
300452370400MV	RUSSELL A 2A	GAS	01-Nov-02	790.4	26
300452370400MV	RUSSELL A 2A	GAS	01-Dec-02	790.4	26
300452370400MV	RUSSELL A 2A	GAS	01-Jan-03	760	25
300452370400MV	RUSSELL A 2A	GAS	01-Feb-03	760	25
300452370400MV	RUSSELL A 2A	GAS	01-Mar-03	760	25
300452370400MV	RUSSELL A 2A	GAS	01-Apr-03	729.6	24
300452370400MV	RUSSELL A 2A	GAS	01-May-03	729.6	24
300452370400MV	RUSSELL A 2A	GAS	01-Jun-03	729.6	24
300452370400MV	RUSSELL A 2A	GAS	01-Jul-03	699.2	23
300452370400MV	RUSSELL A 2A	GAS	01-Aug-03	699.2	23
300452370400MV	RUSSELL A 2A	GAS	01-Sep-03	699.2	23
300452370400MV	RUSSELL A 2A	GAS	01-Oct-03	668.8	22
300452370400MV	RUSSELL A 2A	GAS	01-Nov-03	668.8	22
300452370400MV	RUSSELL A 2A	GAS	01-Dec-03	668.8	22
300452370400MV	RUSSELL A 2A	GAS	01-Jan-04	638.4	21
300452370400MV	RUSSELL A 2A	GAS	01-Feb-04	638.4	21
300452370400MV	RUSSELL A 2A	GAS	01-Mar-04	638.4	21
300452370400MV	RUSSELL A 2A	GAS	01-Apr-04	638.4	21
300452370400MV	RUSSELL A 2A	GAS	01-May-04	608	20
300452370400MV	RUSSELL A 2A	GAS	01-Jun-04	608	20
300452370400MV	RUSSELL A 2A	GAS	01-Jul-04	608	20
300452370400MV	RUSSELL A 2A	GAS	01-Aug-04	577.6	19
300452370400MV	RUSSELL A 2A	GAS	01-Sep-04	577.6	19
300452370400MV	RUSSELL A 2A	GAS	01-Oct-04	577.6	19
300452370400MV	RUSSELL A 2A	GAS	01-Nov-04	577.6	19
300452370400MV	RUSSELL A 2A	GAS	01-Dec-04	547.2	18
300452370400MV	RUSSELL A 2A	GAS	01-Jan-05	547.2	18
300452370400MV	RUSSELL A 2A	GAS	01-Feb-05	547.2	18
300452370400MV	RUSSELL A 2A	GAS	01-Mar-05	547.2	18
300452370400MV	RUSSELL A 2A	GAS	01-Apr-05	516.8	17
300452370400MV	RUSSELL A 2A	GAS	01-May-05	516.8	17
300452370400MV	RUSSELL A 2A	GAS	01-Jun-05	516.8	17
300452370400MV	RUSSELL A 2A	GAS	01-Jul-05	516.8	17
300452370400MV	RUSSELL A 2A	GAS	01-Aug-05	486.4	16
300452370400MV	RUSSELL A 2A	GAS	01-Sep-05	486.4	16
300452370400MV	RUSSELL A 2A	GAS	01-Oct-05	486.4	16
300452370400MV	RUSSELL A 2A	GAS	01-Nov-05	486.4	16
300452370400MV	RUSSELL A 2A	GAS	01-Dec-05	486.4	16
300452370400MV	RUSSELL A 2A	GAS	01-Jan-06	456	15
300452370400MV	RUSSELL A 2A	GAS	01-Feb-06	456	15
300452370400MV	RUSSELL A 2A	GAS	01-Mar-06	456	15
300452370400MV	RUSSELL A 2A	GAS	01-Apr-06	456	15

WELLID_F

wellid	wellname	corroond	Date	Monthly mcf	MCFD
300452370400MV	RUSSELL A 2A	GAS	01-May-06	456	15
300452370400MV	RUSSELL A 2A	GAS	01-Jun-06	425.6	14
300452370400MV	RUSSELL A 2A	GAS	01-Jul-06	425.6	14
300452370400MV	RUSSELL A 2A	GAS	01-Aug-06	425.6	14
300452370400MV	RUSSELL A 2A	GAS	01-Sep-06	425.6	14
300452370400MV	RUSSELL A 2A	GAS	01-Oct-06	425.6	14
300452370400MV	RUSSELL A 2A	GAS	01-Nov-06	395.2	13
300452370400MV	RUSSELL A 2A	GAS	01-Dec-06	395.2	13
300452370400MV	RUSSELL A 2A	GAS	01-Jan-07	395.2	13
300452370400MV	RUSSELL A 2A	GAS	01-Feb-07	395.2	13
300452370400MV	RUSSELL A 2A	GAS	01-Mar-07	395.2	13
300452370400MV	RUSSELL A 2A	GAS	01-Apr-07	364.8	12
300452370400MV	RUSSELL A 2A	GAS	01-May-07	364.8	12
300452370400MV	RUSSELL A 2A	GAS	01-Jun-07	364.8	12
300452370400MV	RUSSELL A 2A	GAS	01-Jul-07	364.8	12
300452370400MV	RUSSELL A 2A	GAS	01-Aug-07	364.8	12
300452370400MV	RUSSELL A 2A	GAS	01-Sep-07	364.8	12
300452370400MV	RUSSELL A 2A	GAS	01-Oct-07	334.4	11
300452370400MV	RUSSELL A 2A	GAS	01-Nov-07	334.4	11
300452370400MV	RUSSELL A 2A	GAS	01-Dec-07	334.4	11
300452370400MV	RUSSELL A 2A	GAS	01-Jan-08	334.4	11
300452370400MV	RUSSELL A 2A	GAS	01-Feb-08	334.4	11
300452370400MV	RUSSELL A 2A	GAS	01-Mar-08	334.4	11
300452370400MV	RUSSELL A 2A	GAS	01-Apr-08	304	10
300452370400MV	RUSSELL A 2A	GAS	01-May-08	304	10
300452370400MV	RUSSELL A 2A	GAS	01-Jun-08	304	10
300452370400MV	RUSSELL A 2A	GAS	01-Jul-08	304	10
300452370400MV	RUSSELL A 2A	GAS	01-Aug-08	304	10
300452370400MV	RUSSELL A 2A	GAS	01-Sep-08	304	10
300452370400MV	RUSSELL A 2A	GAS	01-Oct-08	304	10